



**Produce
Locally,
Consume
Locally**

Japfa Ltd
**Sustainability
Report
2022**

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Produce Locally, Consume Locally

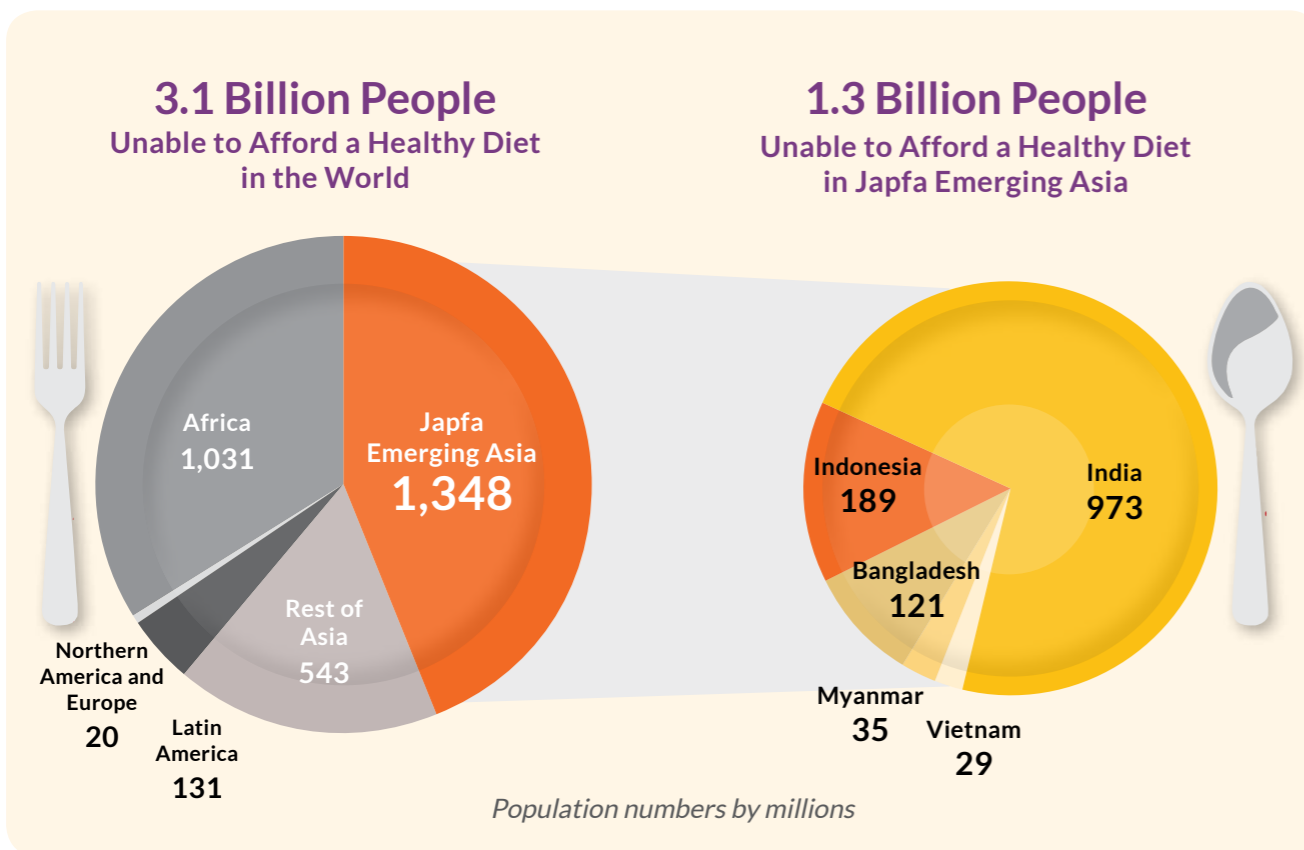
Japfa Feeds Emerging Asia

[GRI 3-3]

About Our Theme

In 2022, a Food and Agriculture Organization (FAO) report pointed out that “Almost 3.1 billion people could not afford a healthy diet in 2020”¹.

Out of these 3.1 billion people, over 40% or 1.3 billion people live in Indonesia, Vietnam, Myanmar, India and Bangladesh, which are the 5 countries where Japfa produces food for domestic consumption (“Japfa Emerging Asia”).



“ Japfa provides access to affordable nutritious proteins to 1.3 billion people in Asia who are unable to afford a healthy diet ”

¹Food and Agriculture of the United Nations. (2022). *The state of food security and nutrition in the world 2022*. Food and Agriculture Organization (FAO). <https://www.fao.org/publications/sofi/2022/en/>



Photo credit: Vicky Kapghate

The cost of a healthy diet is likely to have risen over the last few years, affected by COVID-19. Furthermore, geopolitical tension has impacted raw material and energy prices, leading to inflation and weakened consumer spending. At the same time, the world population keeps growing, hitting the 8 billion mark in 2022². Food security becomes not only a local challenge but also a global issue.

Japfa recognises the importance of our role in Emerging Asia in delivering affordable, nutritious protein foods to help improve the lives of millions, many of whom do not have access to a healthy, balanced meal.

At Japfa, we help improve the affordability of staple proteins through our focus on an efficient production system. Our vertically integrated business model, economies of scale, and focus on quality give us control over food safety and traceability throughout the production process. We develop local talent and use modern production methodologies and farming practices that suit the local climate and environment.

Our products cater to local cuisines and customs in each of the countries within Japfa Emerging Asia. We produce the preferred animal proteins that suit local tastes. Our approach to producing locally for local consumption aligns with the countries' move towards self-sufficiency of staple food products to help elevate disruptions in the global supply chains as was experienced in recent times. By focusing on local production, we reduce dependency on imported raw materials, which reduces GHG emissions from transportation.

The theme for this year's sustainability report, *Produce Locally, Consume Locally*, encapsulates our efforts to contribute to addressing food insecurity in Japfa Emerging Asia. Our production process is guided by Japfa's Sustainability Pillars: Improving Nutrition, Efficient Production System and People Development.

²Sugden, J. & Lukpat, A. (2022, November 15). *World's population projected to reach 8 billion today*. The Wallstreet Journal. <https://www.wsj.com/articles/worlds-population-projected-to-reach-8-billion-today-11668508623>

Remembering Pak Han

The mark of a true leader lies not only in their achievements but also in the legacy they leave behind, the impact they make on an organisation and their ability to inspire those who work with them.

Our late Executive Chairman, Mr Handojo Santosa, who passed away in September 2022, was indeed such a leader and we remember him for his many contributions to grow Japfa into a leading agri-food group in Asia.

Fondly known as 'Pak Han', he was charismatic and the visionary of Japfa as it is today: a diversified and vertically integrated animal protein producer with a strong foothold in Asia. It would be impossible to condense his accomplishments in just a few lines, but some examples are emblematic of his entrepreneurial spirit and forward-looking mindset to reach for new opportunities and progress.



Pak Han was ahead of his time in deciding to develop the downstream segment within our integrated business model. He pioneered the launch of shelf-stable sausages in Indonesia, an intuition that made available, for the first time, affordable ready-to-eat animal protein products for the mass market. Among others, Pak Han was responsible for the Group's expansion into the dairy business, driven by the idea of producing fresh milk for local consumers on a large scale in hot and tropical Indonesia. It was a bold venture that turned into a successful move, with the creation of the leading fresh milk brand in Indonesia, and the expansion to China, where we consistently deliver the highest milk yields in the market.

Pak Han was also a tenacious, wise and generous leader. One of the defining moments of his leadership was his determination and resilience in maintaining the business and retaining the employees during the 1997-98 Asian financial crisis. Leading by example, he cared deeply for his people and fostered a collaborative culture in Japfa, where everyone works as a team and shares a common purpose. With his firm belief that people are Japfa's most valuable resource, Pak Han strived to foster our professional growth and personal improvement and, more recently, established Japfa The Learning Centre (JTLC) as a special place for employees to meet, train and share knowledge. JTLC may well be remembered as one of Pak Han initiatives with the greatest impact on Japfa for the generations to come.

Handojo Santosa
1964-2022
Executive Chairman



Pak Han championed the value of *Growing Towards Mutual Prosperity* with all stakeholders. From employees, to farmers, investors, suppliers, customers and the community, he wanted everyone to feel happy and prosper from working with Japfa. This value is well represented by our corporate logo where the depiction of a "happy person" reflects our commitment to build long term relationships with our stakeholders based on trust. As he constantly reminded us, this logo captures the very heart of who we are and what we do at Japfa.

As Japfa continues to provide nutritious, safe and affordable protein foods to feed people in emerging Asia, we uphold and build on the solid foundations and values established by Pak Han.

Pak Han is dearly missed in so many ways, but he lives on in our hearts through his legacy and through our fond memories of him, which continue to inspire us every day.

Foreword From Our CEO

[GRI 2-22]

Dear Stakeholders,

We are pleased to present you with Japfa Sustainability Report 2022, which encapsulates our sustainability efforts throughout the Group.

This year, we reached a new milestone with the launching and publishing of Japfa Sustainability Targets. We have set environmental and social targets and developed a broad roadmap towards achieving those targets. This includes a target to achieve Net Zero by 2050 and forge ahead with the development of our people to play a meaningful role in sustainable agriculture. Through these targets, we aspire to make our contribution to the UN Sustainable Development Goals.

“ The development of Japfa Sustainability Targets has set measurable, science-based targets to improve the sustainability of our operations. ”

Aside from setting sustainability targets, our journey to be a sustainable business was marked last year by various achievements. On the back of the Sustainability-Linked Financing Framework, we secured the Group's first sustainability-linked loan, with key environmental performance indicators to achieve sustainability goals aligned with our core business. To share our vision with our suppliers, we established a Supplier Code of Conduct, ensuring responsible procurement practices.

We acknowledge that over the year, there were a variety of global issues that affected the economy, people and the planet. In 2022, the world is on the path to recovering from the effects of the COVID-19 pandemic, but at the same time, the world is also faced with inflation, conflicts and uncertainty. The consequences of climate change are becoming more apparent as global CO₂ emissions are on the rise. According to the UN, the world population has reached 8 billion, and it is projected to grow and reach a peak of 10.4 billion. This means that a reliable food supply is crucial. As a staple protein producer in Emerging Asia, all of these issues are closely related to our business with unique challenges to overcome.

We continue to play our role as a business and a frontrunner in sustainability in emerging Asia, where we understand the impacts of our operations. At Japfa, we have established governance led by the Sustainability Committee and Sustainability Champions that oversee the implementation of our sustainability strategy across the Group, which includes conducting and implementing results of our climate-related risk assessments. Guided by the Sustainability Pillars in our vertically-integrated business model, we

are able to deliver safe, affordable and nutritious proteins on a large scale through local production while also managing our environmental impact. In doing so, we also embrace science and technology to support a sustainable supply chain throughout the Group.

Our continuous commitment to people development is reflected in the establishment of Japfa The Learning Center (JTLC) for the purpose of training and development, recreation, as well as networking for our employees. Our commitment to people development also extends to our farmers, who are an integral part of our process to produce affordable, nutritious proteins by establishing research centres and continuing to develop knowledge with our farmers, providing technical assistance and facilitating skill improvement. We also believe that true success also means that we can grow together with the community, and this thought is realised through many of our initiatives to the community that we share in this report.

This year, we experienced a great loss with the passing of our Executive Chairman, Handojo Santosa. His legacy remains strong at Japfa. Reflecting on our growth and sustainability journey throughout the years, I am proud that under his guidance, we continue to rise to the challenge of these uncertain times and emerge stronger day by day. We remain committed to making our contribution to a sustainable future for all people. We strive to efficiently produce affordable protein staples for the health of millions of consumers that benefit from our approach to produce locally, for local consumption. I want to extend my sincere gratitude to all of our stakeholders walking alongside us on this journey.

Best regards,

Tan Yong Nang
Chief Executive Officer

Foreword From Our Sustainability Committee

[GRI 2-22]

Dear Stakeholders,

Welcome to our 2022 Sustainability Report. We are pleased to share our achievements and our commitments going forward. We report on how we manage our impacts on the environment, as well as to outline our social responsibility initiatives. We realise that there is much work to be done in *Feeding Emerging Asia*.

We are in the process of transforming sustainably into the future from a top down approach to bottom up—it is not an easy nor short process, but it is the right journey that we are taking step by step. We understand that it is a long-term commitment from everyone to embed sustainability in our day-to-day activities, way of thinking and long-term planning in how we make sustainable capital investment decisions. We have a structured framework with a support system to measure and monitor our efforts and drive sustainability throughout the Group. This framework encompasses a clear strategy to collect and analyse data, a guide for sustainable finances and quantification of impacts through the Environmental Life Cycle Assessment (LCA) and Social Life Cycle Assessment (S-LCA).

By having those components, we ensure that we can execute sustainability smoothly throughout our Group and are able to assign our people with clear and defined roles to actively contribute towards sustainability. Not only do we have senior management on board as stewards to set directions and drive a sustainability mentality throughout the Group, we have our Sustainability Champions who amplify sustainability awareness and efforts across their areas of influence. With sustainability progressively being embedded within our operations, we are creating a workplace that embraces diversity and inclusivity, in which we attract and retain employees that long to work for companies with a purpose.

“ At Japfa, we have built a structured sustainability framework with all the necessary components to make tangible and quantifiable improvements with everyone involved. ”

Throughout the years, we stayed true to the essence of our business, which is the production of safe yet affordable nutritious proteins. Operating in a number of different countries where food insecurity is still prevalent, we realise that we

carry a responsibility, especially to the 1.3 billion who cannot afford a healthy diet. Our approach to “produce locally, consume locally” strengthens activities that align with our interrelated sustainability pillars, which together result in the production of affordable nutritious proteins for local consumption in each country where we operate. Through our focus on local production and local consumption along with sustainability pillars as our guidance, we can continue to be efficient and use our understanding of the local context in which we operate as a force for good, and helping food security in Japfa Emerging Asia.

This sustainability report is not published to “tick the box” or comply with regulations. Rather, it is a by-product of our continuous collaborative process to formulate and organise sustainability efforts across the Group properly, ingraining it into our DNA. More importantly, sustainability is about strategy and execution of efforts to improve and enhance sustainability over time. The same goes for our approach of local production for local consumption, which is evidence of how we do our business in a sustainable manner that benefits people and the environment. We have also strengthened our commitment by setting our targets this year.

We sincerely thank all stakeholders for their contribution. On this occasion, I would also like to personally thank the people in our Sustainability Sub-Committees and Sustainability Champions for driving this movement to make our sustainability journey a reality. We look forward to the next steps on this journey to embed sustainability into the fabric of our operations.

Best regards,

Kevin Monteiro
Sustainability Committee

2022 Highlights

Japfa Sustainability Targets

We set our sustainability targets this year.

Environmental targets focus on reducing Scope 1 greenhouse gas (GHG) emissions on live bird production and mitigating the risk of climate change through a closed-house system at new company-managed farms. Ultimately, we aim to achieve Net Zero by 2050.

Social targets focus on people development, where we aim to increase the average training hours for employees and contract farmers.

3 New Water Recycling Facilities

The Sustainability Performance Targets set for the Sustainability-Linked Bond issued by PT Japfa Tbk in 2021 are tied to water recycling facilities, with the ultimate aim of enhancing water circularity and reducing water withdrawal. The target is to construct nine water recycling facilities by December 2025. Following the construction of three water recycling facilities in 2022, we have now completed a total of five water recycling facilities.

Japfa The Learning Center

Japfa The Learning Center (JTLC) is a new hub for employees to meet, train and share knowledge. JTLC is a specially built facility for professional development located in the outskirts of Jakarta.

Japfa Supplier Code of Conduct

We are committed to promote ethical, responsible and sustainable business conduct throughout our supply chain. The Japfa Supplier Code of Conduct has been shared and communicated to our suppliers in 2022.

Sustainability-Linked Loan

PT Japfa Tbk secured a sustainability-linked loan (SLL) with key environmental performance indicators to achieve sustainability goals aligned with our core business. This is the first SLL throughout the Group.

Sustainability-related Investment Guideline

We have developed an internal Sustainability-related Investment Guideline, which supports our financial decision-making by identifying investments in line with our sustainability pillars.

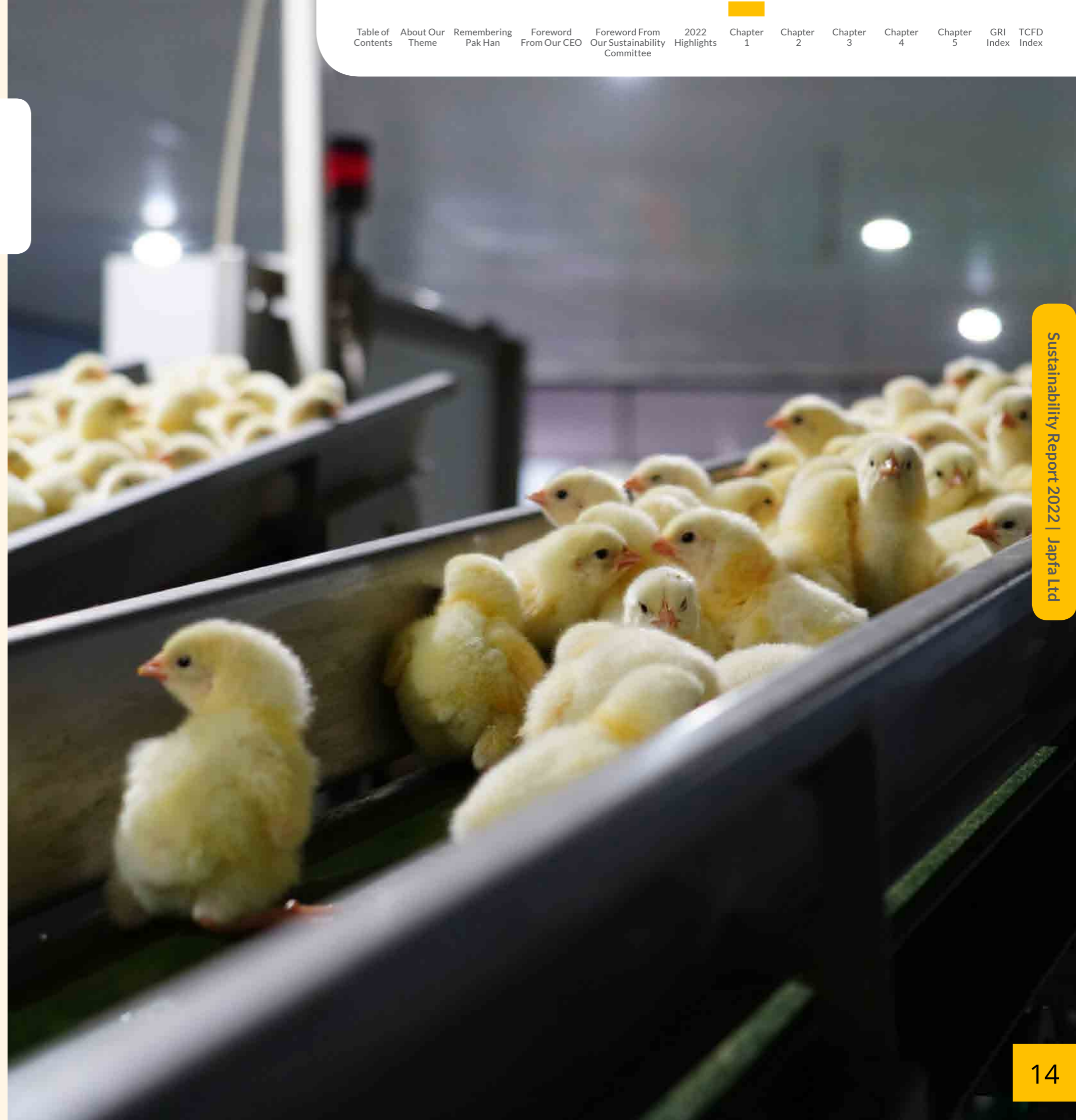
01 ABOUT JAPFA

Japfa Ltd (“Japfa”, “We”, the “Company”, or together with our subsidiaries, the “Group”) is a leading pan-Asian industrialised agri-food company dedicated to *Feeding Emerging Asia* with safe, affordable proteins. Headquartered in Singapore, we employ more than 38,000 people across an integrated network of modern farming, processing and distribution facilities in Indonesia, Vietnam, Myanmar, India and Bangladesh. We specialise in producing protein staples (poultry, swine, aquaculture) and packaged food that nourish millions of people. [GRI 2-1, 2-6]

Over more than fifty years we have grown to become leaders in multiple protein foods by embracing an integrated industrialised approach to farming and food production across the entire value chain. Our large-scale standardised operations allow us to consistently produce high quality proteins and to replicate our business model across different markets and protein types.

Our business is vertically integrated from animal feed production and breeding to commercial farming and food processing. [GRI 2-1] This creates tremendous opportunities for us to capture value at different points along the agri-food chain while providing our customers with greater food security and traceability.

We use superior breeds and adopt a sophisticated approach to animal husbandry, animal health, nutrition and welfare – all of which reinforce the quality of our products and achieve high production yields. We place a strong focus on biosecurity with stringent operating procedures and forge strategic alliances with global leaders in breeding research as necessary.



Our Vision and Mission

Vision

Growing Towards Mutual Prosperity

Central to our Corporate Culture & Responsibility is the nurturing of sustainable, growth orientated relationships based on trust and integrity. Growing Towards Mutual Prosperity is the vision which we practise and uphold with Japfa's various stakeholder groups.



With Shareholders, our goal is to achieve consistently superior investment returns



With Business Partners, we work to reinforce each other's core competence



With Customers, we focus on delivering quality products and services at competitive prices



With Suppliers, we adopt fair and ethical business practices



With Employees, we identify and develop programs that bring out the best in everyone



With Local Communities, we actively strive to be a good neighbor by engaging in social programs that address specific needs



Mission

To be the **leading dependable** provider of **affordable protein foods** in Emerging Asia by building on the foundation of our **excellent teamwork** and **proven experience** for the benefit of all **stakeholders**.



Clarification:

Leading

- Top of Mind
- Reference point by industry
- A continuing process
- Ahead of competition

Protein Foods

- Emphasis on poultry, livestock & marine proteins
- Including key upstream operations of feed, livestock breeding & raising, vaccines etc
- Food grade, for human consumption

Dependable

- Dependable to all partners, farmers, consumers & staff
- Consistent, traceable, good quality, safe, disease free products
- Responsible to the community & environment

Excellent Teamwork

- Cooperate & support each other even without being asked
- Seamless coordination
- Operate as 1 unit
- Differences in opinions encouraged but move as a team

Affordable

- Cater mainly to the masses
- Not the cheapest, but good value
- Role in alleviation of food shortages
- Efficient protein converter, leading to reasonable long-term profit for business sustainability

Proven Experience

- Experienced in farming and emerging economies

Stakeholders

- Staff
- Customers
- Suppliers
- Contract Farmers
- Shareholders
- Community

Sustainability at Japfa



For more than five decades, we have a proven track record of success in nourishing millions of people with our products. Our growth, now and tomorrow, will never be separate from our commitment to sustainability. First founded in 1971 with a sustainability philosophy, Japfa has been progressing to future-proof the Company with various milestones in sustainability. We collaborate with our stakeholders to ensure sustainable business practices in our supply chain.



Specific climate-related disclosures can be found on our Group website

Sustainability Governance

[GRI 2-12, 2-13]

At Japfa, we have a Sustainability Committee to oversee sustainability-related issues, including climate-related risks and opportunities, as well as the implementation of our sustainability strategy [GRI 2-13]. The Committee is part of our sustainability governance, which assists the Board to make strategic decisions and long-term plans related to sustainability.

For example, our sustainability reporting process which we conduct under the supervision of our Sustainability Committee serves as a way to inform the Board on management of impacts [GRI 2-12, 2-13]. The Board is kept abreast of our sustainability targets setting progress, through periodic updates from the Sustainability Committee. [GRI 2-12] These targets are established to define how we can tangibly address critical areas in our operations and make a meaningful impact for the environment and people.

The Singapore Exchange Regulation (“SGX Regco”) has enhanced its sustainability reporting rules for mandatory sustainability training for all board directors of issuers listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The aim is to equip directors with knowledge on sustainability matters. Japfa Ltd is pleased to inform that all directors have fulfilled the commitment on sustainability training for 42 hours in the course of 2022. [GRI 2-17]

“ We are committed to build a sustainable business, in which sustainability will be embraced by our people and embedded in our daily operations. ”

Sustainability Committee

[GRI 2-9, 2-12, 2-13] [TCFD-Govt-a, TCFD-Govt-b]

Board's oversight of climate-related risks and opportunities

The BOD has oversight of Japfa's sustainability policy, direction and strategy, including climate-related issues. At least once a year, the Sustainability Committee (SC) will update the BOD on progress of our sustainability goals, initiatives and progress, including our climate-related goals.

The Sustainability Committee, consisting the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), was formally established in 2018 to strengthen our commitment and guide the implementation of best practices in sustainability [GRI 2-9, 2-13].

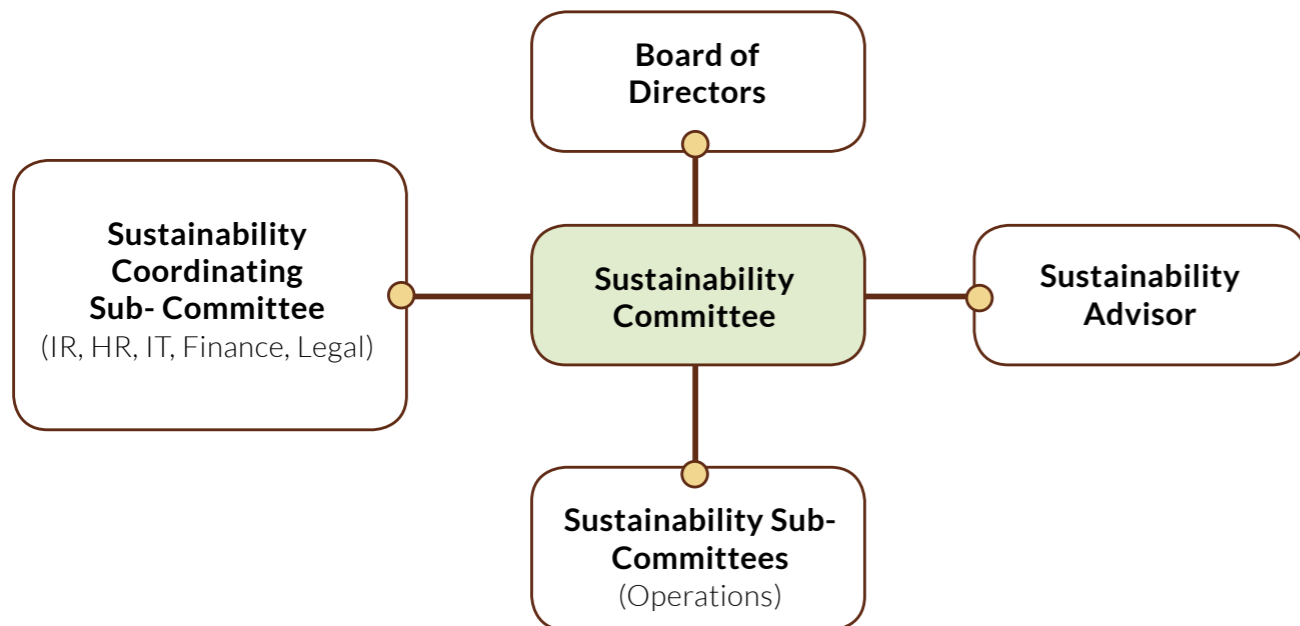
The Sustainability Committee facilitates the rollout of sustainability initiatives (in accordance with our sustainability pillars) across the group, documents progress and identifies critical areas for further development.

The Sustainability Committee, together with the Sustainability sub-committees, provides advice and assists BOD in strategic decision-making and long-term planning in relation to sustainability matters.

The Management Risk Committee (MRC) reports to the Audit & Risk Committee ("ARC") and is responsible for identifying and assessing enterprise risk, developing risk mitigation plans, and overseeing implementation. [TCFD-Govt-a, TCFD-Govt-b]

The MRC will conduct a risk assessment process to identify any critical concerns including climate-related risks which can impede Japfa's operations. The results are then presented to the BOD at least once a year. [TCFD-Govt-a]

We have JSRS to collect the integrated data and are developing Japfa Sustainalytics to help monitor the performance on sustainability indicators, including climate-related, i.e. energy and greenhouse gas emissions.



The Sustainability Committee's Roles and Responsibilities may include but are not limited to

[GRI 2-12] [TCFD-Govt-a, TCFD-Govt-b]

- Establishing and proposing sustainable development policy and direction to the Board of Directors for approval
- Approving the Sustainability Report annually
- Developing sustainability strategies with timeframes
- Appointing Sustainability Sub-Committees, as considered appropriate, for implementation of sustainability strategies within operational divisions
- Evaluating and assessing the results of the implementation of sustainability strategies, give advice for its development and report to the Board of Directors at least once a year
- Reviewing and approving KPIs and SPTs of sustainability-linked transactions

“ Japfa has a structured sustainability governance that helps us in mitigating climate-related risks throughout our operations and helps maintain an efficient production system. ”

Sustainability Champions [TCFD-Govt-a, TCFD-Govt-b]

Realising our vision for sustainability will not be possible without our Sustainability Champions. Stemming from different departments, backgrounds and countries, they come together to promote sustainability values at Japfa. The Sustainability Champions, chosen by the Sustainability Committee, are those who display passion to drive sustainability within the Group and can enact change through their roles. Because a significant number of members of the Sub-Committee and Champions hold positions in management, their responsibilities for promoting, managing and monitoring climate-related matters are integrated in their roles. As a result, we have been able to cultivate a top-down approach to instill a sustainability mindset in our employees, in addition to the initiatives they have presented to the higher management levels. [TCFD-Govt-b]

Sustainability Coordinating Sub-Committee



Erwin Djohan
Financial Controller,
PT Japfa Tbk



Danny Wong
Financial Controller,
Japfa Ltd



Tan Kai Loon Jasper
Head of Corporate HR,
Japfa Ltd



Eddy Widadi
Head of Corporate HR,
PT Japfa Tbk



Elvina Apandi Hermansyah
Head of Investor Relations & Sustainability,
PT Japfa Tbk



Aileen Wee
Head of Investor Relations & Sustainability,
Japfa Ltd

Sustainability Sub-Committee



Antonius Harwanto SS
Chief Operating Officer Poultry
Indonesia Operation



Leo Handoko Laksono
Finance Director,
PT Japfa Tbk



Aldrian Irvan Kolonas
Deputy Head SBU Grains Trading,
PT Japfa Tbk



Budiarto Soebijanto
Head of Feed Division,
PT Japfa Tbk



Wali Muhammad
Head of HR & GA Poultry,
PT Japfa Tbk



Hendri
Financial Controller Poultry,
PT Japfa Tbk



Herman
Head of Production Poultry Feed Division,
PT Japfa Tbk



Dian Susanto
Head of Feed Operations East Java & BJM Area Poultry Feed Division,
PT Japfa Tbk



Anwar Tandiono
Head of Feed Operations Sumatera Poultry Feed Division,
PT Japfa Tbk



Daniel Iki
Deputy Head of Poultry Breeding Division,
PT Japfa Tbk



Achmad Dawami
Deputy Head Commercial Poultry Division,
PT Japfa Tbk



Bambang Heru Wardoyo
Head of Production Commercial Poultry Division,
PT Japfa Tbk



Teguh Yodiantara Prajitno
Head of SBU AHLE (Animal Health & Livestock Equipment),
PT Japfa Tbk



Benjamin Soenadi Abednego
Head of SBU Edible Oil, Plastic Bag & Industrial Estate,
PT Japfa Tbk



Tan Ho Liat
Commercial Director, South Asia and Indochina



Arif Widjaja
Country Head, Japfa Vietnam



Mark Gerald Eman
Managing Director, Japfa Myanmar



Prasad Chittaranjan Wagh
Managing Director, Japfa India

Sustainability Committee



Tan Yong Nang
Chief Executive Officer



Kevin John Monteiro¹
Chief Financial Officer

Sustainability Champions Across the Group



Rachmat Indrajaya
Corporate Affairs Director,
PT Japfa Tbk



Valeria Maria Lorenza Montesoro
Corporate Communications Consultant,
Japfa Ltd



Anna Chan
Head of HR Business Partner Outside Indonesia,
Japfa Ltd



Sri Rejeki Muji Andayani
HR Business Partner Indonesia,
PT Japfa Tbk



Christina Kucita
Investor Relations & Sustainability Administrator,
PT Japfa Tbk



Franciscus Reza Paul Adam
Deputy Head of Corporate IT,
PT Japfa Tbk



Antonius Brian Suherman
HR Digitalization Development Manager,
PT Japfa Tbk



Sri Iswandari Sahabi Manoppo
Data & Analytical Manager,
PT Japfa Tbk



Toto Handoyo
HR Business Partner Indonesia,
PT Japfa Tbk



Rina Firdausy
HR Business Partner Indonesia,
PT Japfa Tbk



Zakhrinaldi Jumnasti
HR Business Partner Indonesia,
PT Japfa Tbk



Reno Yusril
HR Business Partner Outside Indonesia,
PT Japfa Tbk



Yulianto
Head of Industrial Relations, Corp. HR,
PT Japfa Tbk



Irman Ruhimat Syam
OHS & Environment Manager,
PT Japfa Tbk



Retno Artsanti Alif
Head of Social Investment, Corporate Affairs,
PT Japfa Tbk



Dirk BW Djatmiko
Head of Consumer Food Indonesia Division,
PT Japfa Tbk



Wira Adhitama A
Financial Controller, Consumer Food Indonesia Division,
PT Japfa Tbk



Asrul Ointu
Head of Manufacturing Consumer Food Indonesia Division,
PT Japfa Tbk

Consumer Food

Aquaculture



Ardi Budiono
Head of Aquaculture Division,
PT Japfa Tbk



Jenny Budiati
Head of Tilapia & Seafood Further Processed,
PT Japfa Tbk



Jonny Susanto
Financial Controller Aquaculture Division,
PT Japfa Tbk



Sanjeev Kumar
Head of South Operation,
Japfa Vietnam



Nguyen Chi Cong
Head of North Operation,
Japfa Vietnam



Nguyen Cong Phuong
Head of Feed Operation South,
Japfa Vietnam



Le Van Long
Head Of Feed Operation North,
Japfa Viet Nam

Japfa Vietnam

Japfa India



Budhi Rahyono
Head of HR & GA Aquaculture Division,
PT Japfa Tbk



Zaenal Arifin
EHS Security Manager Aquaculture Division,
PT Japfa Tbk



Indira Nuranissa Ardiwidjaja
Communication & Employee Engagement Aquaculture Division,
PT Japfa Tbk



Vidyasagar A
Financial Controller,
Japfa India



Samir Bhiwapurkar
Head of HR & GA,
Japfa India



Riyadi
Head of Feed,
Japfa Myanmar



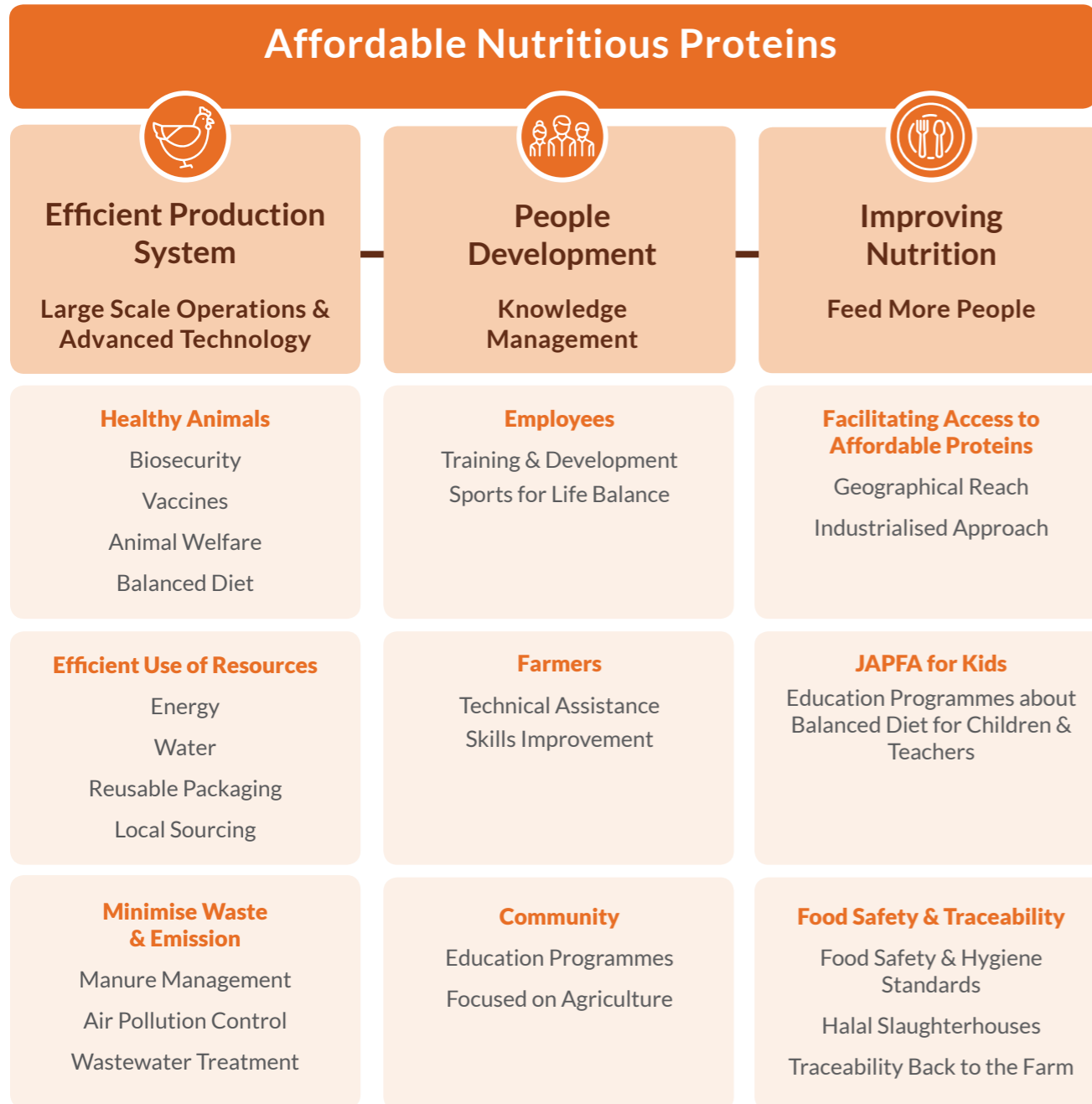
Yin Yin Myint
Head of HR & GA,
Japfa Myanmar

Japfa Myanmar

¹ Member of the Asia Pacific Chapter of the Accounting for Sustainability (A4S) Chief Financial Officers Leadership Network since 2021

Sustainability Strategy

Sustainability Pillars



Japfa Sustainability Pillars act as a guide in our sustainability strategy, directing us in our efforts to provide affordable nutritious proteins to emerging Asia and answer sustainability issues related to the business.

The Pillars were developed by the Sustainability Committee, consulted to the Senior Management and approved by the Board of Directors. It serves as a guidance for setting the Company's sustainability performance objectives, performance indicators, sustainability budget planning and monitoring implementation. The three pillars consists of elements; each with its objectives and targets. [TCFD-Str-a]

The Japfa Sustainability Pillars are explained below:

Efficient Production System pillar is the foundation of how we operate. Efficiency is a critical factor in the animal protein production industry, as it directly impacts the company's ability to produce high-quality products while keeping costs low. This pillar focuses on animal health, efficient use of resources and waste and emission minimisation.

People Development pillar revolves around the stakeholders of Japfa, including employees, farmers and communities. We invest in our people through constant development such as training programmes, technical skills assistance, and other initiatives so we may achieve our vision of *Growing Towards Mutual Prosperity*.

Improving Nutrition pillar describes how we aim to feed more people in Emerging Asia. Through our industrialised and vertically integrated operations, we aim to improve access for people to have affordable nutritious proteins, while providing food security and traceability to ensure food safety. g traceability and ensure food security. Our flagship CSR programme, JAPFA for Kids, guided by this pillar, aims to educate the children about the importance of a balanced diet, to improve the nutrition and development of these young children who are the future of tomorrow.

“ Our Sustainability Strategy is encapsulated in Japfa Sustainability Pillars which maps our impacts in a more structured manner. ”

“ Our strategies are manifested in Japfa Sustainability Pillars established in 2018. ”



SUSTAINABILITY TARGETS



25% reduction

Scope 1 GHG emission for poultry live bird production
kg CO₂e per kg live bird

50% reduction

Scope 1 GHG emission for poultry live bird production
kg CO₂e per kg live bird

NET ZERO

Scope 1 GHG emission for poultry live bird production
0 kg CO₂e per kg live bird

100% closed-house

Mitigating climate change for new company-managed poultry farms

ZERO COAL

Scope 1 GHG emissions throughout the Japfa Group

Environmental targets are derived from quantitative science-based Life Cycle Assessment results.

ENVIRONMENTAL

SOCIAL

16

Training hours received by employees
Average training hours per employee per annum

24

Training hours received by employees
Average training hours per employee per annum

25% increase

Training hours received by contract farmers who request for technical support
Average hours per contract farmer per annum

Why Our Targets Matter

[TCFD-Metrics-c]

Japfa has a key role in providing staple food sustainably to millions of people. In providing affordable nutritious proteins to the masses, we are aware of the environmental impacts of our operations and we take actions so that we can continue to contribute to food security in a sustainable manner.

Our targets focus on two aspects: environmental and social.



Environment

- **Reducing scope 1 (direct) greenhouse gas (GHG) emissions on live bird production.**
Moving towards cleaner energy sources is critical, as fossil fuels have become the main contributors to climate change (75% of global GHG emissions).
- **Mitigating the risk of climate change through a closed-house system**
In our poultry operations, closed houses help mitigate the effect of climate change on poultry health, ensuring optimal poultry performance and minimising the emission of GHG from livestock waste.



Social

- **Employees Training**
Training helps employees develop their skills and acquire the knowledge necessary to perform their jobs effectively. Within the scope is training regarding sustainability, which will lead to support decision making processes on the aspects of sustainability in the Company.
- **Contract Farmers Training**
We have identified the social impacts of our contract farming partnership programme using S-LCA. Providing training to farmers is crucial to help them enhance their productivity and in turn, improve their livelihood.

The targets are a catalyst for change and are set with the purpose of fostering sustainability. This enables us to continue nourishing the growing population of countries we operate in and creating long-term positive impacts. We engage in the development of these targets together with the Board of Directors, Senior Management and relevant business units to ensure that the targets are specific, measurable, achievable, relevant and time-bound. [TCFD-Metrics-c]

Sustainability Metrics and Target

[TCFD-Metrics-a, TCFD-Metrics-c, TCFD-Metrics-c]



For further information about Sustainability Metrics and Targets, please visit our website at <https://japfa.com/sustainability/overview>

We started to monitor our environmental and social performance in preparation of our first sustainability report in 2017.

In 2019, we conducted an Environmental LCA of our poultry operations, a process that took two years to complete. [TCFD-Metrics-a] Study findings are used to map and chart realistic ESG goals, set measurable targets and milestones which are most relevant to our business going into the future, aligning with Japfa's motto of *Growing Towards Mutual Prosperity*.

“Our approach to target-setting is rigorous, where in the Life Cycle Assessment, we used more than 6,000 data points in poultry operations to analyse the hotspots.”

As part of the science-based LCA, we started the process to collect more comprehensive environmental data. On the basis of the LCA and sustainability data collected:

- we have made climate-related disclosures in past Sustainability Reports
- we have set both Environmental and Social targets for going forward

We have the Japfa Sustainability Reporting System (JSRS) to collect the integrated data to help monitor the performance on sustainability indicators, including climate-related, i.e. energy and greenhouse gas emissions.

We are currently at the stage of improving the systems involving the data collection process, to improve the quality of our environmental data. We hope that this will improve the accuracy and reliability of our data, which will be used for data analytics in the coming years.

The identification, assessment, and management of climate-related risks and opportunities are integrated into our ERM and subject to continuous improvement.

We will endeavour to incorporate climate assessment into our business strategies over time.



Environmental Targets

Japfa aims to achieve Net Zero by 2050. Our focus is on reducing Scope 1 GHG emissions at our poultry commercial farming operations and mitigate the risk of climate change through closed-house poultry systems. Poultry is the main protein that Japfa produces, and poultry is a low carbon emitter, especially in terms of Scope 1 emissions. Although GHG is not a major issue in Japfa, we still set environmental sustainability targets to do our part in helping to reduce global warming.

Our transition pathway is to reduce the Scope 1 GHG emissions per kg of live bird produced by 25% by 2030 and 50% by 2040. We also aim to transition to 100% closed-house poultry systems at new Japfa-managed farms by 2030, progressively increase the use of renewable energy and to achieve Zero Coal by 2040 across the Group. Notably, Japfa derived its environmental targets using results from the science-based Life Cycle Assessment (LCA) conducted on our poultry operations in Indonesia, which is the largest single contributor to Group's revenue.

Strengthening our sustainability foundation for the future, we have started the process of widening our environmental LCA to cover a larger data base across our poultry operations in Vietnam, India and Myanmar. This will help us to identify country-specific key focus areas where we can make a positive impact to the environment.

Our next milestone is to expand the environmental LCA to cover our swine operations in Vietnam. Upscaling LCA is a continuation of our sustainability efforts and integral in our pursuit to reduce emissions, reduce our dependence on non-renewable energy sources and progress towards Net Zero



Social Targets

[TCFD-Str-a]

Japfa looks to further advance sustainable agriculture through professional development, skills improvement and education programmes for our people, farmers and the community.

For its first social targets, Japfa aims to increase average training hours per employee to 16 hours by 2030 and 24 hours by 2040. The training can be conducted in person, as well as online as online seminars, forums, interactive videos and workshops, customised to suit specific requirements of each target group.

Our people development targets also extend to our contract farmers who are an integral part of our supply chain. We target to increase training hours for contract farmers requiring technical support by 25% in 2030. We have established research centres and continue to provide technical assistance to improve their knowledge and hone their skills.

By equipping our employees and farmers with proper training, we create an empowering ecosystem for long-term success.

“At Japfa, we strive to make a real difference in protecting our planet for future generations, and it is with this in mind, we have launched Japfa Sustainability Targets.”

Greenhouse Gases (GHG) Emissions

[GRI 305-1, 305-2, 305-3] [TCFD-Metrics-b]

	2021	2022
Scope 1 GHG Emissions (Direct)	80,060	75,998
Scope 2 GHG Emissions (Energy Indirect)	454,236	553,827
Scope 3 GHG Emissions (Other Indirect)	10,825,139	16,821,995
Data Source (Number of operational units)	302	291

Details about the GHG emissions data can be found in Chapter 4.

unit = Ton CO₂e

Our strategies evolve over time to ensure that it is relevant in short, medium and long term time horizons, where every step of the way we identify risks and opportunities.

Life Cycle Assessment

[TCFD-Str-a, TCFD-Str-b]

LCA is the thinking methodology on how we approach and develop our strategy and risk identification. -

It is a comprehensive approach of assessing environmental impact that guides us in developing strategy. LCA can be used to identify short, medium, and long-term climate-related risks in several ways:

Identifying the carbon footprint of a product or service: LCA can be used to calculate the greenhouse gas (GHG) emissions associated with a product or service, including those generated during the production, transportation, use, and disposal phases. By quantifying the carbon footprint, it is possible to identify short-term climate-related risks, such as the impact of a product or service on the immediate environment.

Assessing the environmental impacts of the entire life cycle: LCA can also be used to evaluate other environmental impacts beyond GHG emissions, such as water use and resource depletion. By examining the entire life cycle of a product or service, we can identify medium and long-term climate-related risks.

Conducting scenario analysis: LCA can be used to assess the impact of different scenarios on the environment, such as changes in the production process or shifts in our working behavior.

Sustainability-linked Financing Framework

[TCFD-Str-a]

Sustainability should be part of day-to-day operations, and one of the ways to drive it is through finance. We believe that sustainable finance will be our fuel to move forward in sustainability and we act on it through our Sustainability-linked Financing Framework (Framework).

This Framework, which is aligned with Japfa Sustainability Pillars, will be the basis for our sustainability-linked financing instruments, such as Sustainability-Linked Bonds (SLB) and Sustainability-Linked Loans (SLL). These financing activities further enforce the commitment to our sustainability initiatives. They are also a conduit to engage our stakeholders in our sustainability journey towards building a sustainable business and to do our part to make the world a better place to live in.



Climate-related Risk Register

[TCFD-Str-b, TCFD-Str-c]

Our activities across the Group implement the solutions to mitigate and adapt to them, which in turn future-proofs our business through enhancement in efficiency, complementing our sustainability journey.

As part of the procedure for our Sustainability-Linked bond (SLB), we conducted an assessment of our water scarcity footprint, which exposed the limited water supply in Japfa's operations. Based on this analysis, we identified the water-stressed regions to be the primary focus of our Sustainability Performance Target for the March 2021 release of the Sustainability-Linked bond (SLB).

Aside from water-related risks, we are also aware of how global warming is a climate risk that affects our operations. Our focus on animal welfare has also helped us to mitigate the impact of global warming that could affect the welfare and performance of our livestock. In our poultry operations, closed-house poultry farms protect our chickens from heat stress.

The Management Risk Committee (MRC) is set up to identify and assess enterprise risk, develop risk mitigation plans and oversee the implementation, for the Group. The risk assessment process also addresses potential climate-related risks which may impede our operations. These results are presented to the Board and management on a periodic basis.

Sustainability-related Investment Guideline

[TCFD-Str-b]

Our Sustainability-related Investment Guideline supports our financial decision-making by identifying investments in line with our sustainability pillars so that capital is efficiently allocated to investments that matter to build a sustainable business for Japfa.

The guideline is designed to identify projects and initiatives that qualify as sustainable by comparison to our past practices and/or practices of other industry players.

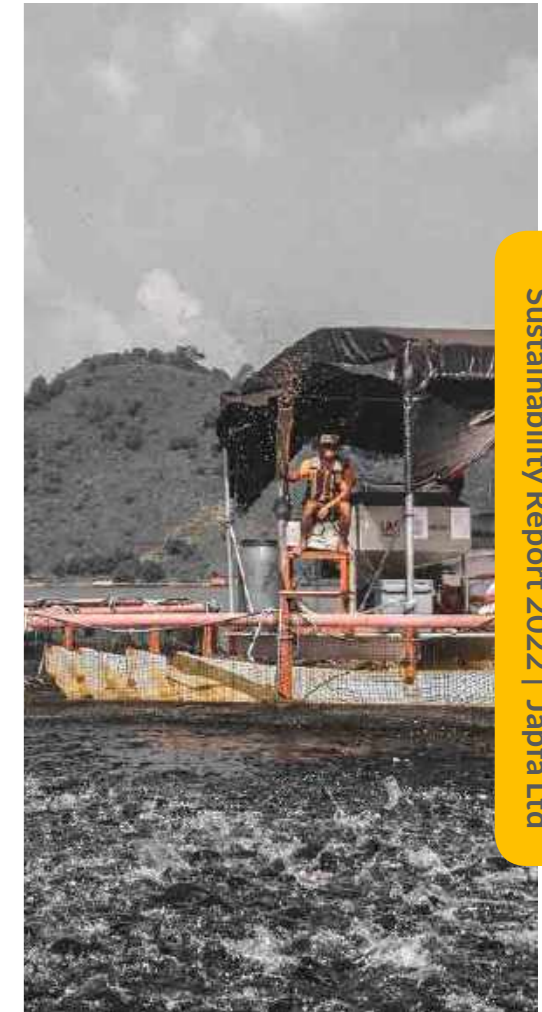


Photo credit: Andri Hadi Saputra - Japfa Photography Competition 2021 Winner

We take actions in reaching our sustainability targets, and our strategy has evolved with new initiatives introduced every year. We incorporate those strategies into our continuously improved daily operations:

[TCFD-Str-a, TCFD-Str-b, TCFD-Risk-b]



Reduction in Scope 1 GHG emission from our poultry live bird production

Although poultry is a low carbon emitter, Japfa is still committed to do our part to reduce global warming.

We have set targets to reduce Scope 1 GHG emissions from our poultry live bird production by: **25% in 2030, 50% by 2040** and to achieve **Net Zero by 2050**.

(details can be found in page 25)



Poultry closed-house system

The changing climates in the different markets where we operate pose a challenge. Extreme heat, rain, floods, typhoon occurrences, affect the chickens and may cause them unnecessary distress.

Our closed-house poultry farming system, which incorporates temperature and humidity control, is designed to mitigate various farming challenges in Asia, including climate-related risks such as heat stress, diseases, and predator threats that can jeopardize the welfare of the animals and the operational efficiency of the farm.

(details can be found in Chapter 4: Efficient Production System, page 95)



Investment in Research and Development

Japfa Poultry Research Farm, the biggest in-house poultry research infrastructure in the Asia-Pacific region aims to create high performance, precision feed adapted to reduce commercial poultry cycles and improve Feed Conversion Ratio. (details can be found in Chapter 4: Efficient Production System, page 98)

Japfa Aquaculture Research and Development Center collaborates with Kindai University, Japan and Universiti Sabah Malaysia to research and develop high-performing fish broodstock.

(details can be seen in Chapter 4: Efficient Production System, page 104)



Improving energy efficiency

We use automation and digitalisation to enable us to better monitor and control our energy consumption.

(details can be seen in Chapter 4: Efficient Production System, page 105)

Automated processes in our operations help to improve **efficiency, productivity, product hygiene and cleanliness**, as well as **reduce materials wastage**.

We aim to optimize process efficiency in an effort to **minimize energy consumption** i.e. produce more with less.



Utilisation of renewable energy

We focus on prioritising the use of renewable and cleaner energy in our operations and closely monitor it.

We **optimize energy consumption** using **biomass** recycled from agriculture waste such as **palm kernels, palm fibre, and candlenut shells**.

(details can be found in Chapter 4: Efficient Production System, page 113 and 115)



Water and Wastewater management

Water is a crucial resource and plays a vital part in livestock farming. Japfa is committed to **water and wastewater management** for the good of our animals, **local communities and the environment**.

(details can be found in Chapter 4: Efficient Production System, page 109-112)

We monitor and control wastewater quality to ensure the wastewater discharged meets regulatory standards. [GRI 3-3]

Other initiatives to mitigate water scarcity, minimise pollute and promote water circularity include:

- Rainwater harvesting in new facilities to reduce reliance on groundwater and freshwater resources
- Install wastewater treatment plants to remove impurities from wastewater before it is discharged into water bodies
- In Indonesia, we commit to build water recycling facilities in nine of our poultry operations: eight in slaughterhouses and one in a hatchery. This target goes beyond regulatory requirements and shows Japfa's commitment to sustainability.



Waste reduction

Wastage is minimized with almost **every part of the chickens being utilized**. By-products from our poultry production can be recycled and reused as **fertilizer, biofuels, and animal feed**.

(details can be found in Chapter 4: Efficient Production System, page 116-117)



Addressing potential deforestation risk in our supply chain

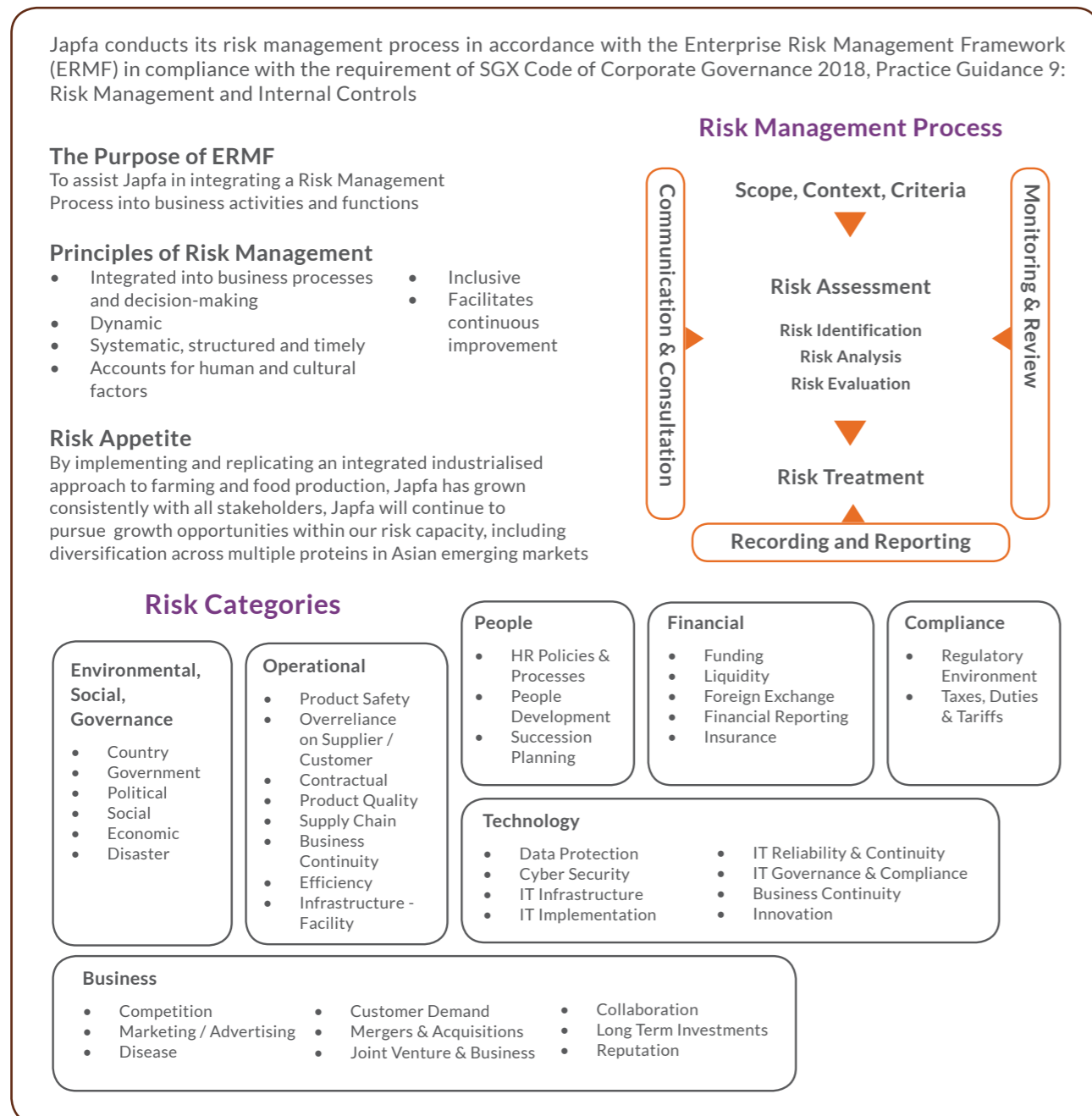
None of our operations are located on deforested land, but we are conscious of potential deforestation risk in our supply chain. We have initiated a **Supplier Survey** to raise sustainability awareness with our suppliers.

(details can be found in Chapter 1: About Japfa, page 52)

Sustainability and Climate Risk Management

[TCFD-Risk-a, TCFD-Risk-b, TCFD-Risk-c]

Japfa manages risks and opportunities that might have an impact on the Group's objectives through an Enterprise Risk Management (ERM) system, including climate-related risks. We are in the process to integrate ERM into the Group's regular course of corporate and business activities. This includes a continuous risk assessment process to identify and plan the management of potential impacts of our operations.



We apply ISO 31000: 2018 Risk Management Guidelines, which involves the systematic application of policies, procedures, and practices to the activities of communicating and consulting, establishing the context for assessing, treating, monitoring, reviewing, recording, and reporting risk, serve as the foundation for risk management processes.

The Management Risk Committee (MRC) plays a critical role in reviewing and assessing the risk posed by climate change in our operations by utilising Life Cycle Assessment (LCA). The LCA results are communicated to the top management and business heads through periodic update sessions and dialogues. This process helps to keep the company informed about the level of risk posed by our business, and provides a basis for making informed decisions regarding risk management and mitigation strategies.

Life Cycle Assessment (LCA)

[TCFD-Risk-a, TCFD-Risk-c]

We engage an external sustainability consultant, Life Cycle Indonesia, to help us identify key material risks in our operations related to environment and social including climate.

To determine potential physical or transition risks related to a changing climate, we conducted a Life Cycle Assessment (LCA) on our Indonesian poultry, our largest protein business in the Group:

- ✓ to measure and identify potential environmental impacts of our poultry products throughout the supply chain
- ✓ to help us better understand the processes, equipment or materials that contribute to a significant proportion of our environmental impact.
- ✓ to assess environmental impacts using a cradle-to-gate approach
- ✓ to support decision-making process throughout the Group based on science-based approach
- ✓ to improve our environmental performance in significant areas such as resource and energy efficiency, waste minimisation and process improvement.

Together, the teams came up with sustainability initiatives within their own business units whereby they can make improvements to reduce their impact on the environment. The initiatives highlighted in the Strategy section are some examples of the actions taken to address the key hotspots.

The Sustainability Committee will update BOD on our sustainability initiatives and progress, at least once a year.

Results of the LCA helped identify key environmental hotspots within our operations. From the LCA results, we can further analyse on materiality, impact and focus on key areas where we can make positive contributions.

The LCA results are shared with top management and business to come up with sustainability initiatives within their own business units whereby they can make improvements to reduce their impact on the environment.

We are in the process of upscaling this LCA to cover a larger data population that covers all poultry operations in Indonesia and to include our poultry operations in Vietnam, India and Myanmar, which will help to identify other key focus areas whereby we can make a positive impact to the environment. The next milestone is to expand the environmental LCA to cover our swine operations in Vietnam.

Climate-related Risk Register

[TCFD-Str-a, TCFD-Risk-a, TCFD-Risk-b, TCFD-Risk-c]

We have utilised the ERM Framework to identify, categorise and assess potential financial impact, which has been integrated into our decision-making and sustainability strategy setting process. This approach helps us to determine which risks and opportunities could have a significant financial impact on our company. Our climate-related risk register shows the impacts and potential opportunities that arise from the risks, along with action plans to manage them.

For example, we have identified that waste, including wastewater disposal, impacts health and the environment as well as poses a financial impact to us through an increase of expenditures for waste and wastewater management.

At the same time, we also see this as an opportunity to further improve operational efficiency by having water treatment facilities in our operations and utilising waste through the 'reuse and recycle' approach [GRI 303-1, 306-1].

Our response to SGX Climate-related Disclosures

Japfa is one of the leading agri-food companies listed on SGX and IDX. On December 15, 2021, SGX announced that it will require public listed companies to provide climate-related reporting based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). All issuers must provide climate reporting on a

"comply or explain" basis in their sustainability reports from FY2022 (this year's Sustainability Report) and will be made mandatory for issuers in certain industries, including agriculture (Japfa falls into this category) from FY2023. We are using TCFD recommendation as a guideline on climate-related disclosures

In Japfa, we have chosen to start our climate reporting this year. We are committed to adopt the TCFD recommendations on climate-related disclosures.

Poultry is the main protein that Japfa produces. Poultry is a low carbon emitter, especially in terms of Scope 1 emissions. In our LCA for poultry, GHG was not identified as a material environmental hotspot.

wholesalers, who then distribute the live birds to wet markets. As a result, only 15% of poultry we produce is sent to our slaughterhouses and processing plants to be sold as packaged meat and consumer foods.

It should be noted that approximately 85% of the poultry produced in Indonesia by our commercial fattening farms are sold as live birds to third party

To this end, we have set a target to reduce GHG emissions from our live-bird production process by 25% in 2030.

“ Although GHG is not a major issue in Japfa, we will do our part in helping reduce global warming. ”



Social Life Cycle Assessment (S-LCA) [TCFD-Risk-a]

Japfa participated as a road tester for an S-LCA study with the United Nations Environment Programme (UNEP) in 2021.

This study in Indonesia aims:

- to identify potential positive and negative social impacts of our products.
- to provide information on the socio-economic aspects of Japfa's products and
- to have a basis for decision-making to improve our performance
- to communicate our sustainability efforts to stakeholders.

What we learnt from the project:

- identified areas where we can enhance the socio-economic aspect of our contract farmers partnership scheme.
- focus on assisting our contract farmers to improve the working hours, health and safety and equal opportunities.
- ensure that all of our contract farmers are aligned with our commitment to prohibit child labour and affirming the minimum age requirement for contract farmers' workers.



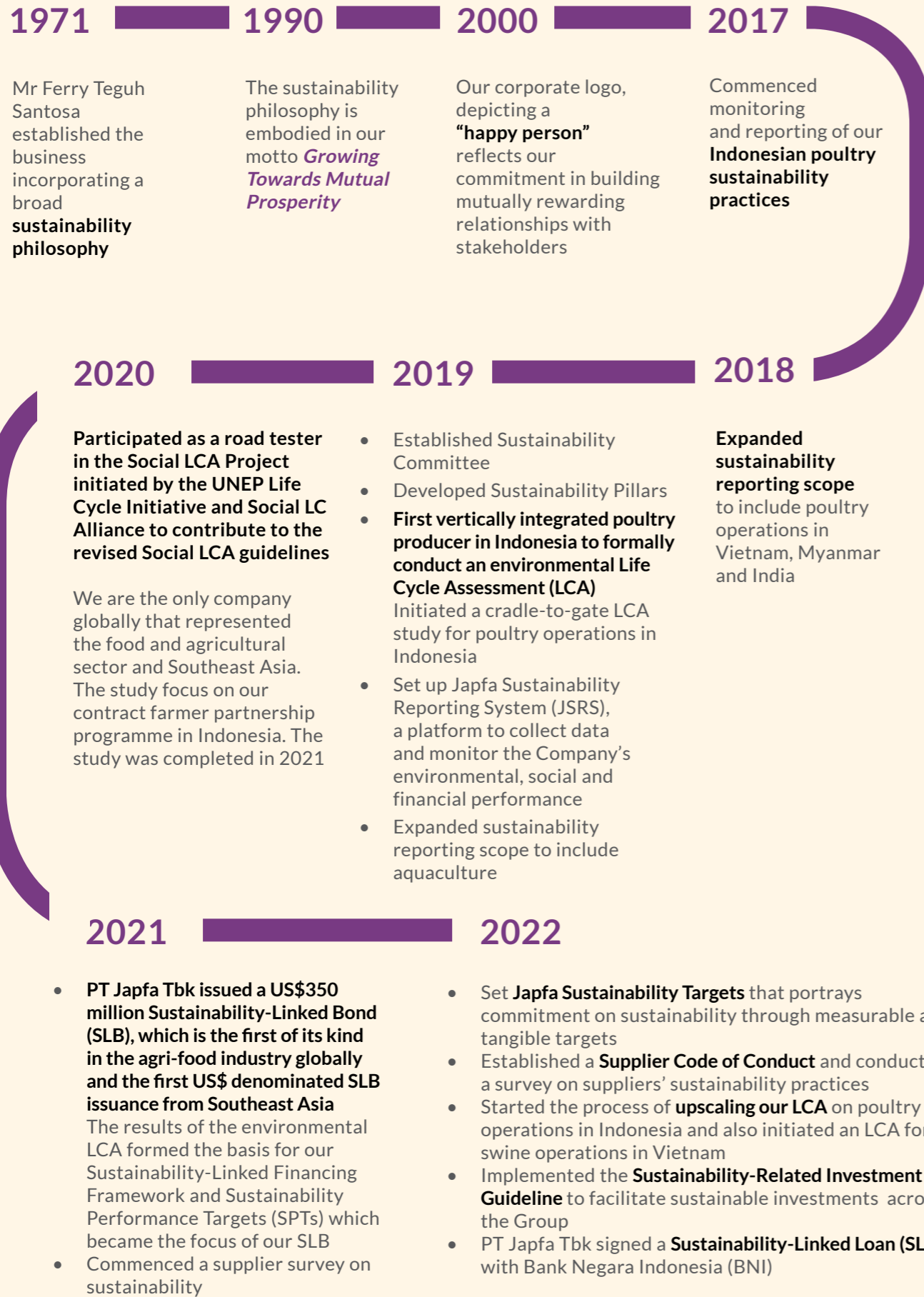
This reference scale can be used for other companies in the same sector and can be accessed in the UNEP's website through the following link: <https://www.lifecycleinitiative.org/library/pilot-projects-on-guidelines-for-social-life-cycle-assessment-of-products-and-organizations-2022/>

“ We developed a specific reference scale for measuring social life cycle impact assessment for stakeholders in the agriculture and poultry industry together with Life Cycle Indonesia and RWTH Aachen University. ”



Our commitment and support to the contract farmers is further strengthened by setting our social targets where we aim to improve their capabilities by increasing training hours. Japfa also continues to provide them with technical knowhow and guidance on how to better engage with their workers, implement best practices and to maintain a high standard as Japfa.

Sustainability Journey



Contribution to UN Sustainable Development Goals (SDGs)

We are committed to helping achieve the UN's Sustainable Development Goal of Zero Hunger (SDG 2), while being mindful of our environmental impact. We strive to offer affordable nutritious proteins to improve lives and strengthen communities in Emerging Asia.



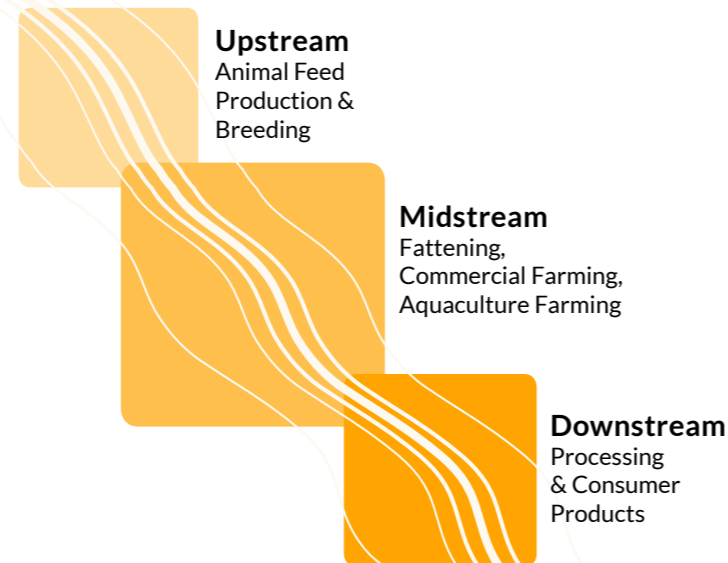
A Closer Look at Our Operations

As a business, we have continued to grow in scale and produce safe, affordable and nutritious proteins to feed people in the countries we operate in.

Our Vertically Integrated Business Model

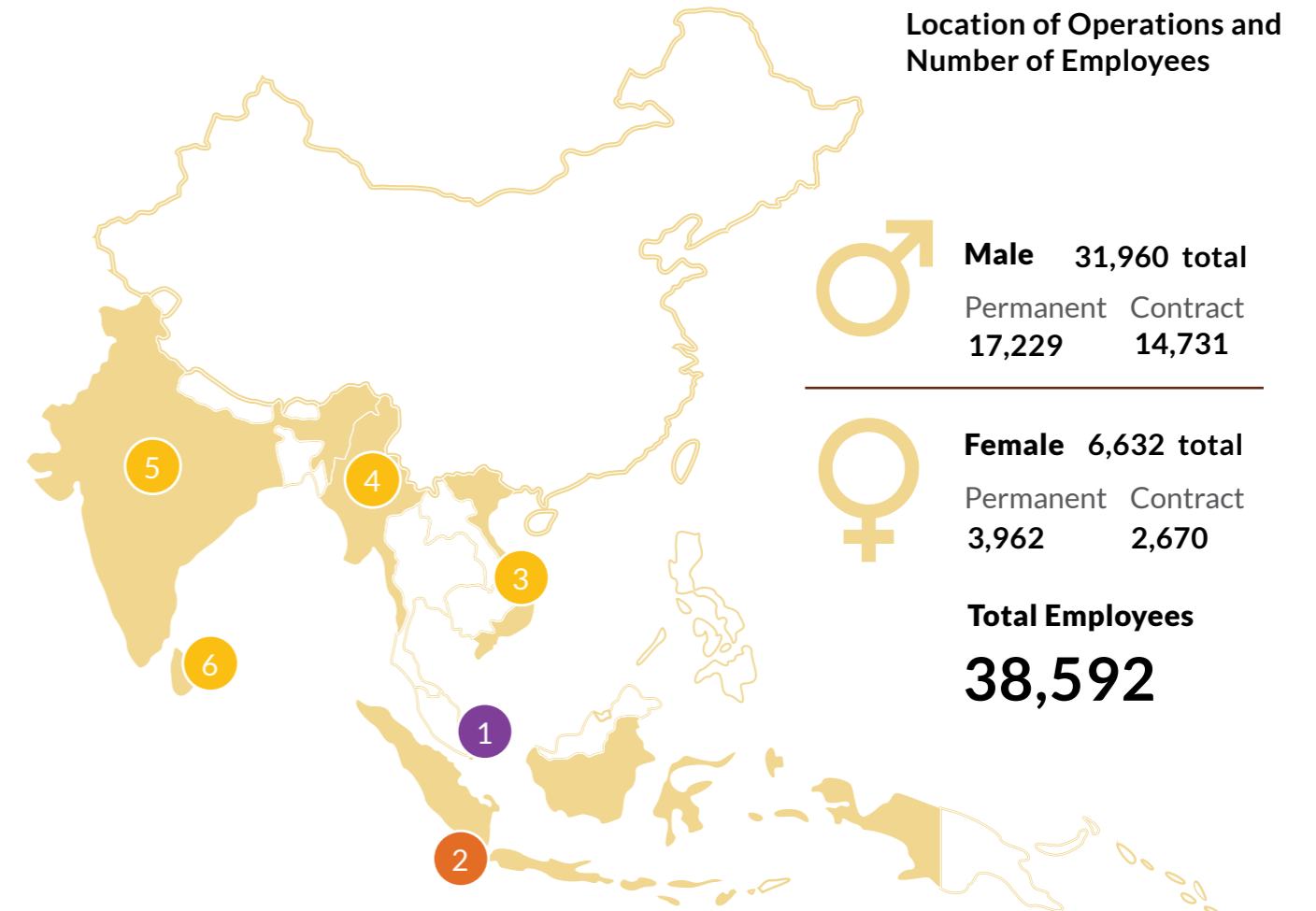
[GRI 2-6]

To deliver high-quality products, Japfa with its vertically-integrated business model, is able to have better control over our products from upstream to downstream. Our strengths in livestock genetics, feed and farming technologies, biosecurity and animal welfare, have helped us to create a standardised operation from animal feed production, animal breeding, fattening, and manufacturing of consumer products. The business model is strengthened by an industrialised approach, where we aim to consistently deliver high-quality products to meet the needs of our consumers [GRI 2-6].



Scale of Operations

[GRI 2-1, 2-6, 2-7, 2-8]



Location	Permanent	Contract
1 Singapore HQ	49	5
2 Indonesia	17,713	13,243
3 Vietnam	1,911	4,134
4 Myanmar	768	19
5 India	663	-
6 Bangladesh	87	-

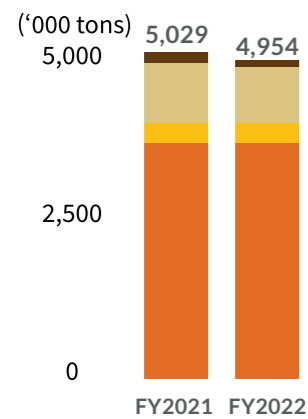
The above data pertains to Japfa's full-time employees, comprising both permanent and contract. They are collected and compiled from the Company's SAP Human Capital Management (HCM) system and Excel sheet as of December 2022. There have been no noteworthy fluctuations in employee numbers within or between reporting periods.

Animal Protein Operational Performance

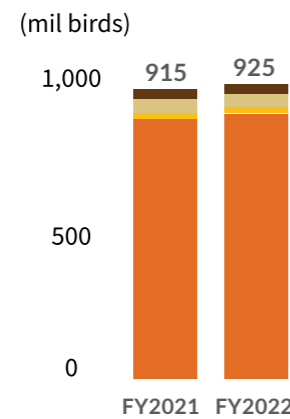
[GRI 2-6]



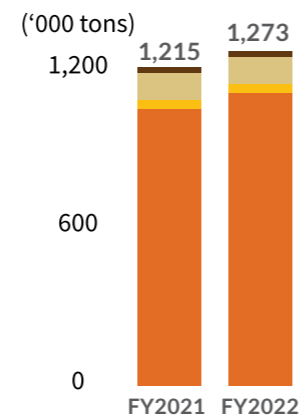
Animal Feed - Poultry Sales Volume



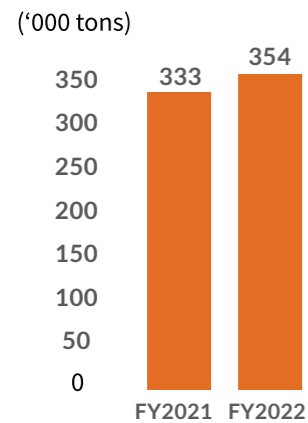
DOC - Broiler Sales Volume



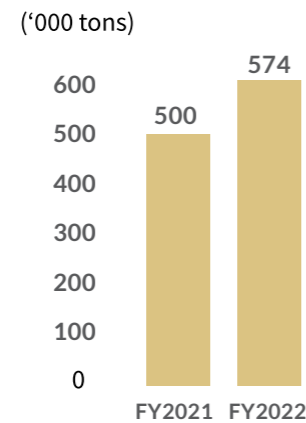
Commerical Farms - Live Birds Sales Volume



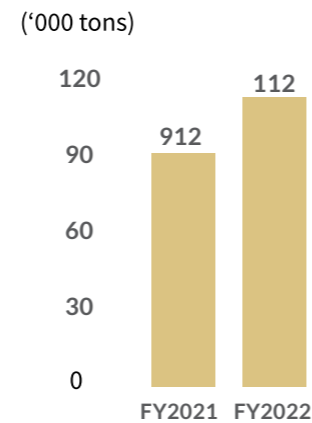
Animal Feed - Aquaculture Sales Volume



Animal Feed - Swine Sales Volume



Swine Fattening Sales Volume

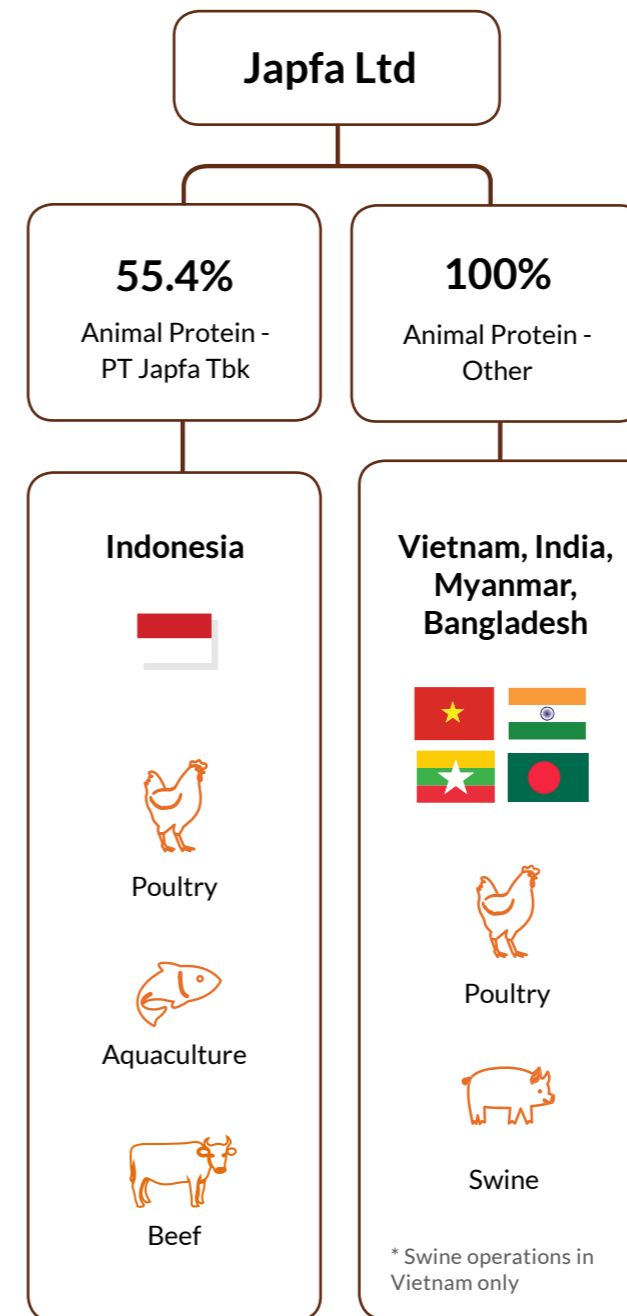


PT Japfa Tbk | Japfa India | Japfa Vietnam | Japfa Myanmar

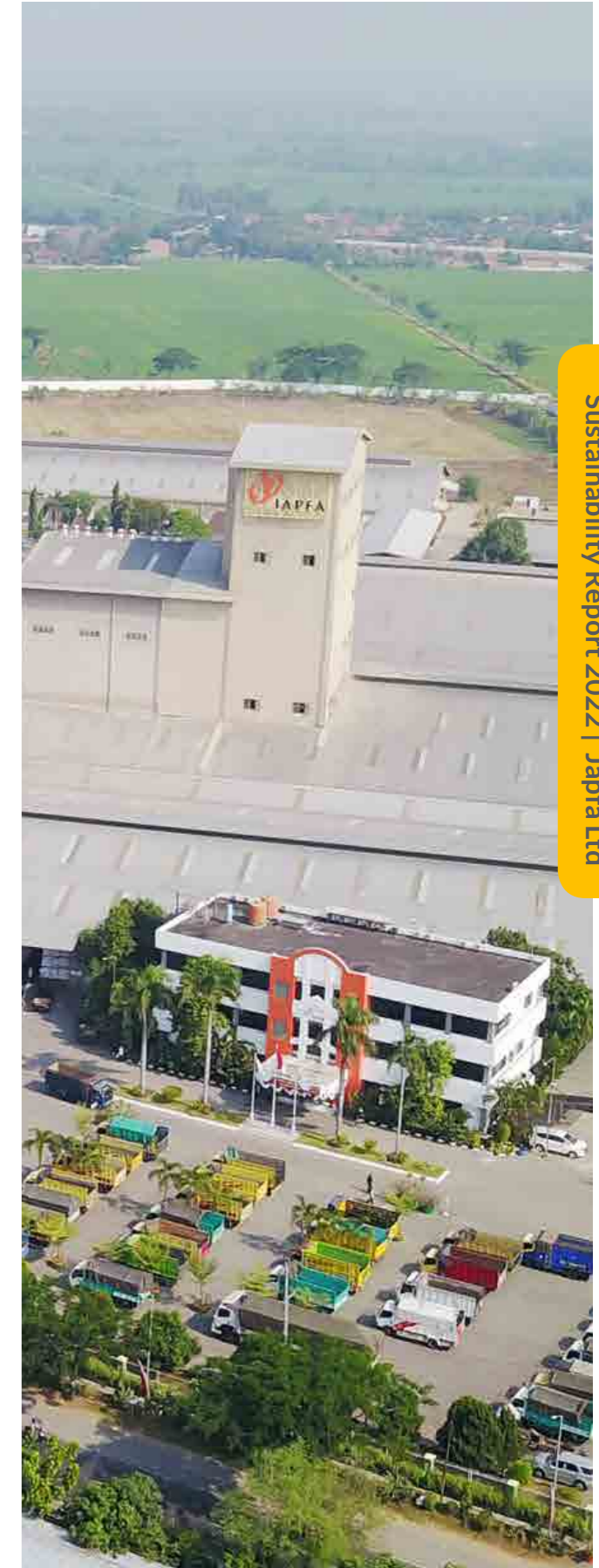
Group Structure

As a continuously growing Company, we strive to reach more people and deliver high-quality animal proteins for our customers.

Japfa is a pure-play leading integrated animal protein producer in emerging Asia, operating through our segments PT Japfa Tbk in Indonesia¹, and Animal Protein Other ("APO") in Vietnam, India, Myanmar and Bangladesh.



¹ As of 31 December 2022.



Sustainability Report 2022 | Japfa Ltd



Animal Proteins Across Five Countries

[GRI 2-6]

Today, we rank as the second-largest² poultry company in Indonesia and have replicated our industrialised business approach for our other poultry operations in Vietnam, India, Myanmar and Bangladesh. Our new swine protein business has grown into a robust industrialised value chain, complete with a breeding pyramid that starts from the Great Grand Parent (GGP) level.

Given the growing affluence of our target middle- and lower-income consumer groups, we expect protein food consumption to rise. As one of the most competitive and efficient producers, we are focused on tapping the growing animal protein consumption in the emerging economies where we operate, which together account for more than 20%³ of the world's total population. We plan to forge ahead with our strategy to expand across multiple protein segments in emerging these high growth emerging Asian markets by replicating our integrated industrialised business model. Our purpose is to find new efficient ways to feed emerging Asia in a sustainable way.

By Producing Locally for Local Consumption, we strive to produce safe, nutritious and affordable staple protein foods for the masses.

Animal Protein - PT Japfa Tbk

In Indonesia, we run our animal protein operations through IDX-listed PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk"), our 55.4%-owned subsidiary.

Under this business segment, we produce high-quality animal proteins, namely poultry, aquaculture and beef as well as branded consumer foods. We are a large-scale producer of specially formulated animal feed. We partner with world-leading genetics companies to breed high performance parent livestock in modern farm facilities using advanced management systems.

We partner with world-leading genetics companies to guarantee that our parent livestock maintain good performance and implement advanced farming practices. Understanding the dietary restrictions and religious preferences of the Indonesian market, our slaughterhouses and food processing facilities are halal-certified.

² By poultry feed and DOC production (Source: Frost & Sullivan, 2021).

³ Japfa Ltd Investor Presentation 2023 (https://japfa.com/files/report/Japfa_Ltd_Corporate_Presentation_2023.pdf).



Poultry

We are the second largest poultry company in Indonesia, producing premium-quality feed for sale to external customers as well as for internal use in our farms. Our core brands Comfeed and Benefeed are widely recognised in the market for their consistent quality, their suitability for local conditions as well as their ability to provide optimum nutrition to livestock, which translates to better profits for farmers.

We also deliver high performance Day-Old-Chicks ("DOCs") in collaboration with world leading poultry genetics company Aviagen. Tapping on our strong expertise in industrialised farming, our commercial broiler farms are a key provider of a staple protein food in Indonesia. Our downstream consumer food products are manufactured using our own animal proteins as raw materials, which ensures consistency in food safety, quality and reliability. As such, our ready-to-eat and ready-to-cook processed food products under the So Good and So Nice brands are widely enjoyed by families across Indonesia.



Aquaculture

Feed production is the core activity of our aquaculture business. Our feed mills produce a wide range of feed products for both marine and freshwater aquaculture species. We also operate cold storage and processing plants, fish farms, shrimp farms, as well as shrimp and freshwater fish hatcheries to support our aquaculture customers.

As part of our industrialised farming model, we have expanded our shrimp breeding capabilities, with the establishment of shrimp broodstock multiplication centres, in a joint venture with Hendrix Genetics Aquaculture B.V.

To support our vision to become a total solution company in the aquaculture industry, we established the Aquaculture Technology Development (ATD) Department, an animal health team and the Japfa Aquaculture Research Centre (JARC).

Aquafeed Mills	5
Shrimp Hatcheries	11
Freshwater Fish Hatcheries and Farms	6
Fish and Shrimp Processing Plants	3
Eel Processing	1
Cold storage processing plants	3

2nd largest integrated industrialised farming company²

Feed mills	16
Poultry Breeding Farms	77
Hatcheries	30
Company-owned commercial farms	100+
Contract commercial farms	8,500 ~
Slaughterhouses and primary processing plants	16
Cold storages	3
Meat processing units	4



Beef

PT Santosa Agrindo (Santori) is our subsidiary for our beef operations, with a focus in integrated cattle farming, starting from beef cattle breeding to the production of value-added meat products. We deliver high-quality premium meat under the Tokusen Wagyu Beef brand and other value-added meat products.

Beef Cattle Feedlots	3
Abattoir and Meat Processing Unit	1

Animal Protein - Other⁴

The Animal Protein Other (APO) segment covers our operations in Vietnam, India, Myanmar and Bangladesh, where we produce quality animal feed, poultry and swine. We have successfully replicated our industrialised, vertically integrated business model for poultry production across these emerging Asian markets. Likewise, we applied the same model and leveraged on our core competencies in protein production to establish our swine operations in Vietnam. Our APO operations constitute a key part of the Group's diversification strategy to ensure long term sustainable earnings.

APO-Vietnam

Our poultry operations in Vietnam are integrated from feed to breeding, commercial farming, processing and distribution. We have also started a new poultry product line with colour bird, which is the preferred choice by Vietnamese consumers over broiler. Colour bird is served in high-end restaurants and households, while broiler is typically consumed in factory and school canteens.

In Vietnam, we also produce swine feed and have built a modern industrialised swine breeding pyramid starting from the Great Grand-Parent level. This allows us to have sufficient genetic stock to develop our vertically integrated system.

In line with the expected protein consumption growth, in FY2022 APO-Vietnam continue to set a strong base to grow. We commenced operations at our seventh animal feed mill, which significantly increases our total production capacity. With this feedmill, we are also starting the production of aqua feed in Vietnam. We inaugurated a state-of-the-art poultry hatchery and also a swine fattening farm, both equipped with the latest technologies. As part of our long-term downstream strategy, we commenced operations at a new poultry slaughterhouse and launched online channels to market our fresh meat and processing food. At the same time, we started the construction of a vaccine factory, leveraging our strong track record in vaccine research and production by Vaksindo in Indonesia.



Feed (Poultry, Swine, Aquaculture)

Feed mills	7
------------	---



Poultry

Grand Parent (GP) Farm	1
Parent Stock (PS) Farms	23
Central Hatcheries	4
Company managed and Contract Commercial Farms	1,000+



Swine

Great-Grand Parent (GGP) Farms	3
Grand Parent (GP) Farms	5
Parent Stock (PS) Farms	34
Company managed and Contract Fattening Farms	600+



Processing & Distribution

Slaughterhouse	1
Processing Factory	1
Hybrid Stores	40
Online Shopping Platform	3

⁴ 100% owned by Japfa Ltd (as of 31 December 2022).

APO-India

Our poultry operations in India are focused on producing premium quality poultry feed, mainly for sale to third parties.



Food

Hybrid Stores	4
---------------	---



Poultry

Owned Poultry Feed Mills	5
Toll Processing	2
Poultry Breeding Farm	1
Hatcheries	2
Contract Commercial Farms	120+

APO-Myanmar

We operate an integrated poultry operation in Myanmar and have the second largest market share in both feed and DOC⁵.



Poultry

Poultry Feed Mills	2
Poultry Breeding Farms	3
Hatcheries	2
Company managed Commercial Farms	4

APO-Bangladesh

In Bangladesh, we produce poultry and cattle feed and the business is in a start-up phase.



Poultry

Poultry Feed Mill	1
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⁵ According to Company's own estimates, APO-Myanmar ranks #2 in poultry feed and DOC as per market share.

Economic Performance

[GRI 2-27, 201-1]

2022 was marked by macro-economic uncertainties and a challenging operating environment, contributed by outbreak of diseases, political instability, inflationary pressure and climate change.



Our business was impacted by high production costs across the value chain in our breeding, fattening and downstream operations increased due to high cost of raw materials, as agricultural commodities costs reached record level[1]. On the other hand, increases in our selling prices were constrained by lower consumer purchasing power, particularly in the low-income band, due to rising inflation globally. [GRI 3-3]

Despite the headwinds, Japfa revenue increased 6.6% year-on-year to US\$ 4,363.8 million although profitability was affected. Nonetheless, we will continue to push ahead with our sustainability initiatives, stand strong and resilient to fulfil our responsibility to provide staple and affordable animal protein foods to the people living in emerging Asia.

We have successfully listed our dairy subsidiary in China, AustAsia Group (AAG), on the Stock Exchange of Hong Kong amid turbulent market conditions. The AAG IPO commenced trading on 30 December 2022. Japfa then in turn distributed in specie (DIS) our shareholding in AAG to Japfa shareholders. Post the DIS, AAG ceased to be a subsidiary of Japfa. For more information, please refer to Japfa Ltd Annual Report 2022.

During the reporting period, we complied with all laws and regulations in the social and economic area [GRI 2-27].



in million USD

Direct Economic Value Generated	2021	2022
Revenue	4,091.8	4,363.8
Interest Income	2.9	3.8
Other Net Income/(Expenses)	(61.8)	(96.0)
Total	4,032.9	4,271.5
Economic Value Distributed	2021	2022
Operating Cost (Cost of sales, SG&A exclude staff cost)	3,485.9	3,840.5
Employee wages and benefits	387.2	367.8
Payment to providers of equity capital - dividends	166.2	21.9
Community Investment	1.1	1.0
Payment to government	65.2	48.9
Total	4,105.6	4,280.1
Economic Value Retained	2021	2022
Economic Value Retained	(72.7)	(8.6)

Following the distribution in specie (DIS) of AAG shares on 30 December 2022, AAG ceased to be a subsidiary of Japfa Ltd. For comparison sake, the economic data for 2021 in the table above has been restated to exclude AAG (Dairy).

We take real action to roll out our sustainability thinking across our operations through our sustainability investments. In 2022, Japfa invested US\$32.3 million in sustainability initiatives, where approximately a third was to build Japfa The Learning Center for people development and the balance was mainly to build new closed-house commercial farms and water recycling facilities to address the environmental impact of our operations.

Corporate Governance

[GRI 2-9, 2-23]

As a major protein producer in emerging Asia, with more than 38,000 employees, Japfa understands the importance of a well-governed company. We are committed to maintain good corporate governance and good business integrity to deliver long-term, sustainable value for our stakeholders.

We have complied with all core principles of the revised Code of Corporate Governance 2018 (Code) issued by the Monetary Authority of Singapore and will review its governance policies and practices on a regular basis, track the developments in best practices and regulations and implement them to reinforce good business ethics to run a well-governed company. [GRI 3-3]

With strong corporate governance, Japfa aims to protect our shareholders' interests while achieving business goals.



For more details, please refer to the Corporate Governance section in Japfa Ltd Annual Report 2022 which is available on our Japfa Ltd website (<https://www.japfa.com/investors/report/annual-reports>)



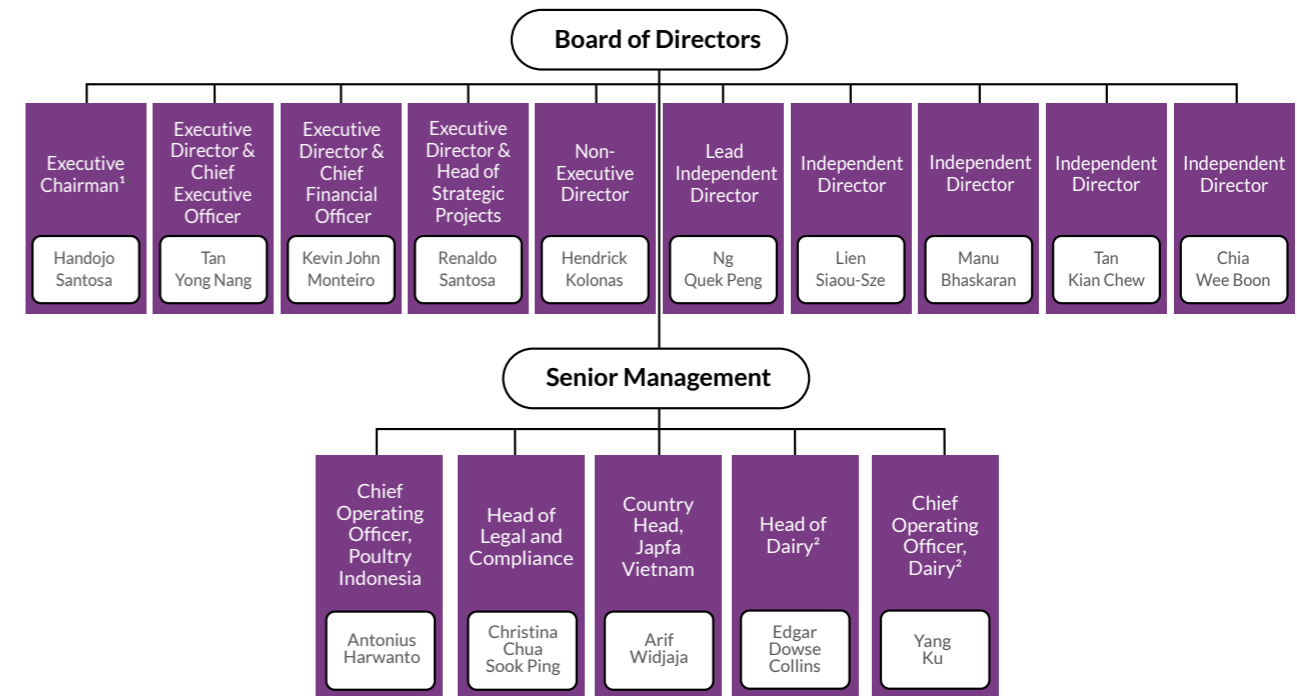
Japfa India, Pune Office

Organisational Structure

[GRI 2-9]

Our organisational structure is designed to support good corporate governance, which includes the Board of Directors and Senior Management. Each has independent authority and responsibility to ensure the sustainability of the Company's business. [GRI 2-12]

“
To uphold good corporate governance, our organisational structure consists of the Board of Commissioners, Board of Directors and Senior Management. [GRI 2-23]
”



¹ Our Executive Chairman passed away in September 2022. Ms Lim Hwee Hua will be proposed for election as our non-Executive Chairman at the next AGM
² AAG and its subsidiaries ceased to be a member of Japfa Group on 30 December 2022.

Code of Conduct

[GRI 2-23, 2-24, 2-25, 2-26, 205-2]

We encourage our employees to act in an ethical and professional manner based on our Code of Conduct. This Code of Conduct is approved by the Company's most senior management level and it covers the Anti-Corruption/Anti-Bribery policy. Japfa directs all of our employees to act in a professional milieu to ensure a work culture that upholds ethics and integrity. As part of the induction into the Group, during the onboarding process, we communicated and trained this code of conduct to all of our employees. [GRI 2-24] [GRI 205-2]

To ensure that our company policy and code of conduct are in place, we have a whistleblowing system called JAPFALERT to report any misconduct without fear of reprisal [GRI 2-24, 2-25, 2-26].



More information about our whistleblowing policy can be found on our website: <https://japfa.com/investors/whistle-blowing-policy>

Internal Audit

[GRI 2-16, 205-1, 205-3]



One of the Board's top priorities is ensuring that Japfa runs efficiently and risks are mitigated accordingly. The Board works with Management to create a plan for mitigating any potential risks the company may face. Our Internal Audit (IA) team provides assurance that controls in place are adequate to mitigate the risks, governance processes are effective and efficient, and organisational goals and objectives in terms of compliance with laws and regulations, accurate and timely financial reporting and operational efficiency, are met. [GRI 3-3]

The Head of IA reports to the CEO and to the Audit and Risk Committee (ARC) and performs quarterly presentations to the ARC, including one-on-one meetings with the ARC Chairman without management presence. Selection and prioritisation of audits are based on IA's risk assessment process. In 2022, IA performed audits of 34 business units covering all the business segments, constituting approximately 10% of the entire operations [GRI 205-1]. In 2022, IA started performing the review of Sustainability Report data collection and reporting processes. IA's reviews in 2022 did not identify significant

control weaknesses and/or unresolved issues, including corruption, that warrant management or ARC's attention [GRI 205-3].

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders. This includes climate-related risks which can hamper Japfa's operations. The risks identified and assessed along with the recommended risk mitigation actions are recorded, reviewed and reported to the CEO and the Audit and Risk Committee (ARC) periodically.

During the reporting period, we also identified 16 critical concerns, and we communicated them to the Board of Directors [GRI 2-16, 205-1]. The identified risks, including the corruption-related and climate-related risks which can impede Japfa's operations, are compiled in our risk register. This becomes our basis for establishing recommended actions to conduct risk mitigation which are recorded and reviewed periodically. In addressing the climate-related risks, we have conducted Life Cycle Assessment (LCA) and Social Life Assessment (S-LCA) help to better understand our impact towards the environment and people.

Engaging With Our Suppliers

[GRI 2-23]

Good corporate governance extends beyond our own operations to include Japfa's external stakeholders. As suppliers play a significant role in our supply chain, we actively manage our relationship with them to constantly ensure responsible and sustainable procurement practices are adhered to.

Supplier Code of Conduct [GRI 2-23, 205-2]



Our commitment towards sustainability is further strengthened this year with the implementation of a Supplier Code of Conduct. Japfa has long been operating based on the fundamentals embedded in this Code which is now officially institutionalised as part of good corporate governance, which is shared with, communicated to and acknowledged by our suppliers. [GRI 205-2] The Code aims to set out Japfa's values and principles, together with our high standards for professional conduct which we expect from our suppliers, including but not limited to safe working conditions, non-discrimination, quality and safety, responsible sourcing and traceability as well as anti-corruption and bribery.

Suppliers Survey



At Japfa, we are supported by both local and international suppliers who provide us with raw materials, products and services. In 2022, we commenced the supplier survey for the second year. By rolling out a supplier survey, we want to identify and align our sustainability efforts with our suppliers. Compared to last year, many more of Japfa's key suppliers participated in the survey this year. The result of this survey will be used to better engage with our suppliers.

Diversity Policy

Japfa promotes diversity and equality in our operations across Emerging Asia. We believe these values will better productivity and competitiveness in the workplace. Japfa's human resource policy chooses the best person for the job, regardless of gender, age, race, religion, social or cultural background - an epitome of "diversity from inclusiveness". By embracing diversity and inclusivity, we aim to create a more conducive work environment for everyone to be the best version of themselves while bringing diverse knowledge and experience to the Company.



Reference of Standard Practice

We follow various national and global standards to ensure that our activities are conducted in the best practice. Japfa operates within the guidelines such as:

- ✓ Good Corporate Governance
- ✓ Aviagen's Animal Welfare Goals and Principles
- ✓ Best Aquaculture Practices

Association

[GRI 2-28]

Becoming a sustainable business can never be done alone, even with many of our initiatives in place. We collaborate with various parties, national and international, to share the same goals toward sustainability.

PT Japfa Tbk

- Indonesian Employer's Association (APINDO) DKI Jakarta
- Indonesian Fishery Producers Processing and Marketing Association (AP5I)
- Indonesian Feedmills Association (GPMT)
- Shrimp Club Indonesia (SCI)
- Indonesian Poultry Breeders Association (GPPU)
- Indonesian Veterinary Medicine Association (ASOHI)
- Association of Indonesian Poultry Slaughterhouses (ARPHUIN)
- Veterinary Public Health Association (AKESMAVETI)
- Indonesian Poultry Farmers Association (PINSAR)
- Indonesian Aquaculture Society (MAI)
- Indonesian Poultry Science Society (MIPI)
- Chamber of Commerce and Industry (KADIN) South Jakarta
- Indonesian Poultry Veterinary Association (ADHPI)
- Indonesia CSR Society

Japfa India

- CLEMA of India
- All-India representative of livestock industry
- Bombay Chamber of Commerce
- Maharashtra Poultry Breeders Association
- Poultry Breeders Welfare Association (PBWA)

Japfa Vietnam

- FDI Enterprise Association

Japfa Ltd

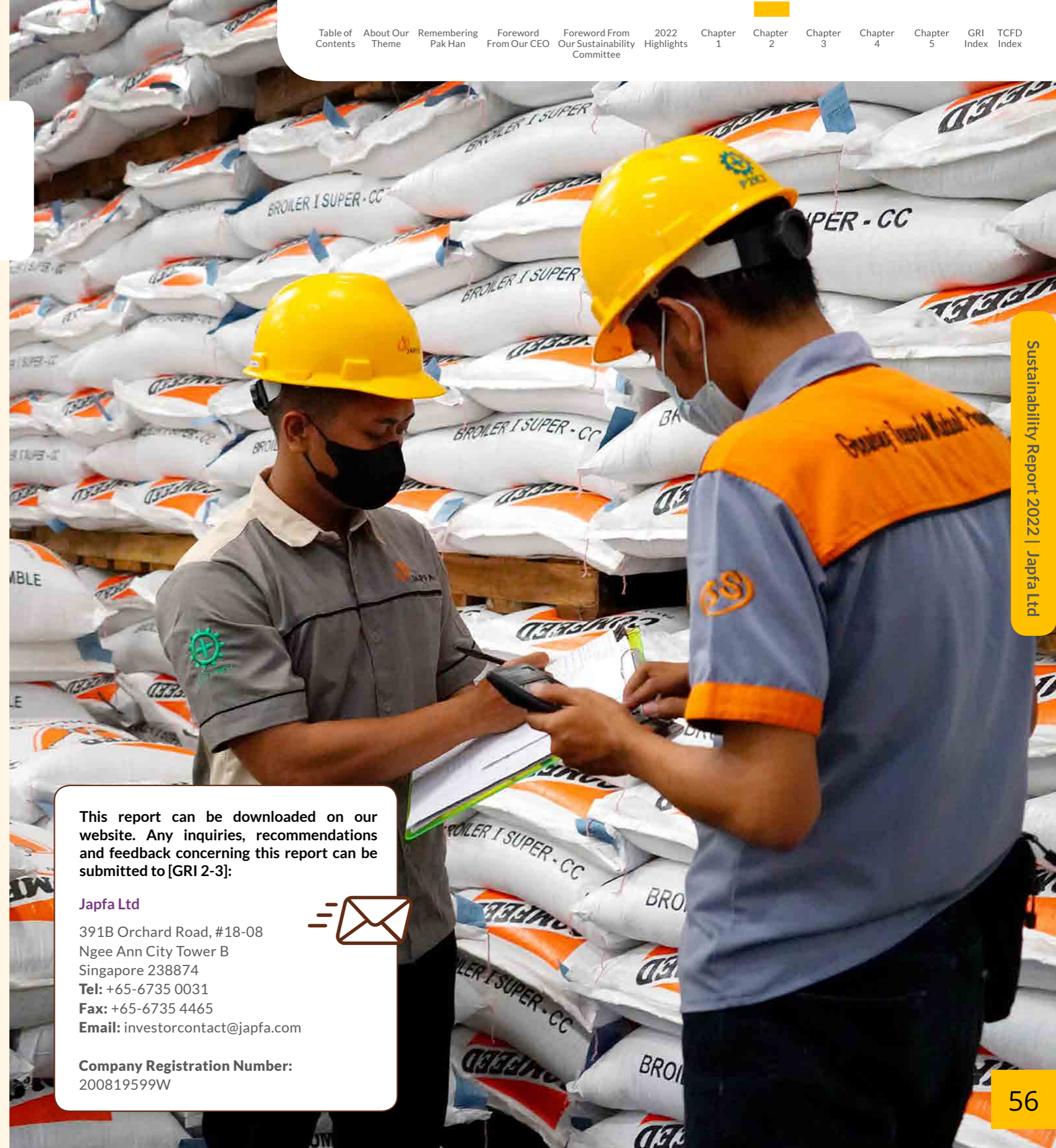
- Founding member of SGListCos. SGListCos is an association representing companies listed on the Mainboard and Catalist of Singapore Exchange
- Member of Singapore National Employers Federation (SNEF)

02

HOW WE REPORT

The Sustainability Report 2022 highlights our commitment to engage our stakeholders in our sustainability journey, illustrates our strategies, reviews and highlights our environmental, social and economic performance-related activities along with their outcomes. This sustainability report, published on 31 March 2023, is our sixth report. The reporting period is aligned with our financial reporting, which is from 1 January to 31 December 2022 [GRI 2-3]. Our first report was published in 2017, and we have been reporting annually ever since.

Our sustainability reports encapsulate all of our sustainability values since the Company was founded in 1971, and this sustainability report continues to bolster our commitment. The sustainability report is a platform to communicate and offer transparency on our sustainability efforts, initiatives and performance. The outreach to involve stakeholders in our sustainability journey embodies our commitment to making a positive impact on people and the planet in our role as a leading agri-food producer in emerging Asia. This report also acts as an internal verification and assessment system to self-check as we progress through our sustainability journey.



Sustainability Report 2022 | Japfa Ltd

This report can be downloaded on our website. Any inquiries, recommendations and feedback concerning this report can be submitted to [GRI 2-3]:

Japfa Ltd

391B Orchard Road, #18-08
 Ngee Ann City Tower B
 Singapore 238874
Tel: +65-6735 0031
Fax: +65-6735 4465
Email: investorcontact@japfa.com












Company Registration Number:
 200819599W

Understanding Our Stakeholders

[GRI 2-29]

Japfa fosters positive working relationships with stakeholders from various sectors. Our stakeholders are identified as individuals, groups or organisations who affect or are affected by our business, from suppliers, local communities, customers, banks and governments.

Stakeholders	How We Engage
 Farmers	Japfa regularly engages with farmers through scheduled visits and phone calls, offering Farmers guidance on farming matters and assisting with issue resolution. We also provide ad hoc support through video calls and messaging platforms.
 Local Community Organisations	As part of Japfa Corporate Social Responsibility (CSR), we collaborate with the local communities to carry out activities based on social mapping results. We will engage with the relevant organisations on a semi-annual basis and adhoc if necessary to discuss about programmes and implementation.
 Employees	We support employee growth and performance through regular communication, training, and feedback. We prioritize physical and mental well-being through health promotion activities and benefits. Company news is disseminated through internal channels such as Japfa Link, Berkat Magazine, and the Japfa Newsletter.

Stakeholders	How We Engage
 Associations	Japfa participates in industry associations to discuss new policies and business trends with fellow members and provide input to the government in quarterly meetings, or as needed, to ensure alignment.
 Customers	We build and maintain customer trust through regular and ad hoc communication channels, such as customer surveys and hotlines, where we listen to feedback and help resolve issues to meet their needs. [GRI 2-25]
 Investors	We foster investor transparency through regular quarterly calls and annual general meetings, as well as ad hoc meetings to update them on our performance.
 Suppliers	We cultivate responsible and long-term supplier relationships through constant communication, ensuring that raw materials meet our standards for quality, affordability, and sustainability. Our commitment to sustainable procurement is reinforced by our recent rollout of a supplier engagement survey and Supplier Code of Conduct.
 Distributors	We ensure product supply and quality through regular engagement with distributors, monitoring their sales performance, and ensuring smooth operations.
 Government	Japfa adheres to government regulations and licensing, and participates in relevant initiatives. We meet with government representatives semi-annually or as needed to stay compliant and informed, and communicate more frequently in the event of issues.

Scope of the Report and Our Data

[GRI 2-2, 2-4]

Poultry operations form the largest segment of Japfa's business in terms of scale and sales volume, accounting for 85% of total revenue. Consequently, poultry operations contribute a significant impact towards our business. With an increasing trend for more sustainable and efficient aquaculture operations globally, we strive to achieve continuous sustainable aquaculture practices at Japfa.

This year's report focuses on our poultry and aquaculture operations as a better reflection in our impact reporting. [GRI 2-2]

Following the listing of AustAsia Group (AAG) on 30 December 2022 and Japfa's distribution in specie (DIS), the employee data for our dairy operations will no longer be included, starting from this report.

Our dedication to improving the precision and comprehensiveness of our data remains steadfast as we expand. The fourth chapter of this report contains restatements to the 2021 waste and water data due to improvements in data accuracy. [GRI 2-4]

Description of the data source covered in this report:

- **Financial data:**
a consolidation for Japfa Group in FY 2022
- **Employee-related quantitative data:**
all operations in the Company, excluding Bangladesh and Dairy China
- **Environmental data:**
poultry operations in Indonesia, Vietnam, Myanmar and India, as well as aquaculture operations in Indonesia

Reporting Standards

[GRI 2-5]

Japfa Ltd has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period from 1 January 2022 to 31 December 2022. GRI's Sector Standards for Agriculture, Aquaculture, and Fishing are used as a complement. We apply the GRI reporting principles to ensure the quality of this report.

We conducted an internal review on data related to sustainability. We have not conducted external assurance on this report. We plan to conduct external assurance in the future. [GRI 2-5] Besides the GRI Standards, this report is based on the Task Force on Climate-related Financial Disclosures (TCFD) Recommendation.

We refer to Japfa Ltd through a few terms in this report.

- "Japfa/the Company/We" refers to Japfa Ltd
- "PT Japfa Tbk" refers to PT Japfa Comfeed Indonesia Tbk
- "Japfa Vietnam" refers to the Company's operations in Vietnam
- "Japfa Myanmar" refers to the Company's operations in Myanmar
- "Japfa India" refers to the Company's operations in India

A Holistic Materiality Assessment to Determine Material Topics

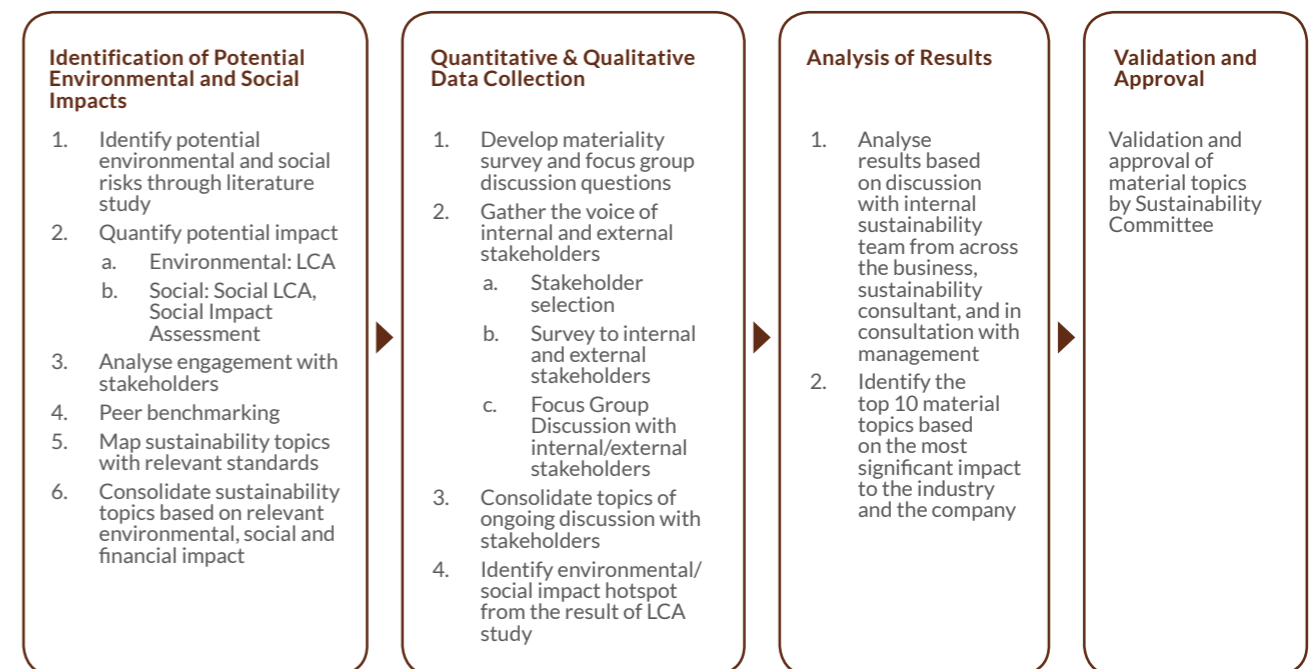
[GRI 2-14, 3-1, 3-2]

Our company's materiality assessment is a thorough process that involves gathering and analyzing data from a variety of sources. We examine stakeholder perspectives, industry benchmarks, and internal and external reports to determine the significance and relevance of various topics or issues to our organization and stakeholders. Stakeholder engagement is a crucial aspect of our materiality assessments, as it ensures that we consider the perspectives and concerns of our stakeholders in the analysis and decision-making process. This engagement helps to build trust, foster positive relationships, and enhance our social license to operate

To provide a comprehensive assessment of our sustainability performance, we utilize Life Cycle Assessment (LCA) results in conjunction with stakeholder engagement and other data collection methods. LCA allows us to identify the environmental impact of our operations and products and pinpoint where these impacts occur within our organization and supply chain. This information helps us prioritize material topics or issues that have the most significant environmental impact.

and qualitative analyses, we have gained a deeper understanding of the environmental and social impact of our operations and products. Our aim is to better manage our sustainability risks, including those related to climate, and to identify opportunities for improvement. We also seek to demonstrate our commitment to sustainable practices and develop effective strategies and initiatives that align with our sustainability goals. Our materiality assessment resulted in top 10 material topics that were validated with the management across functions, and were approved by the Sustainability Committee.

Through our comprehensive materiality assessment, which includes both quantitative



Material Topics

We ranked the material topics that emerged from this report and linked their relevance to the hotspots identified through our impact-based studies (e.g. LCA and S-LCA). The materiality survey identified the 10 key priority topics impacting people and the planet. The top-ranking material topic identified was food safety, which is the same as last year.

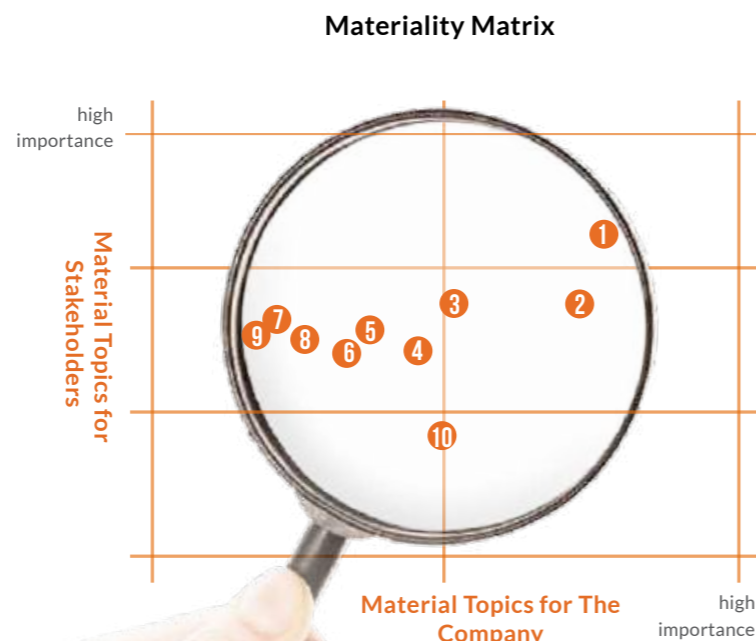
There were also new key material topics that emerged from the materiality survey results this year. Fair remuneration and benefits as well as water and wastewater management emerged

as priority focus areas, reflecting the increasing importance of employee engagement and how we improve water circularity in our operations.

A point to note is the concern of a reliable supply chain and distribution network amid a pandemic situation, which was a material topic raised last year. As a result of our continuous effort to work closely with our suppliers on traceability, step up biosecurity and protect our animals as well as our employees, this is no longer perceived as an area of concern in this year's survey outcome [GRI 3-2].

We gathered responses from 259 internal and external stakeholders in our materiality survey:

- Internal stakeholders include management, the Sustainability Committee and Sustainability Champions
- External stakeholders include our customers, communities surrounding our operations, suppliers, distributors, contract farmers, banks, analysts and investors/ shareholders



Ranking	Material Topics
1	Food Safety Certifications
2	Providing Nutritious and Affordable Food
3	Consumer Health and Safety
4	Ethics and Integrity
5	Anti-corruption
6	Economic Performance
7	Waste Management and Waste Treatment
8	Fair Remuneration and Benefits
9	Occupational Health and Safety
10	Wastewater Treatment

The following chapters of this report will address the management of the material topics, describing Japfa's commitment and actions taken in 2022 to mitigate potential negative impacts, minimise actual negative impacts, and improve positive impacts. We also disclose how we track the effectiveness of our actions and the involvement of relevant stakeholders in managing the material topics.

Topic Boundaries

We also assessed how each topic impacts our supply chain to better understand how we manage risks in our supply chain. Japfa could be directly involved through its activities or indirectly through its business relations with other entities.



Caused by
The cause of the topic which has direct control to avoid or mitigate impacts



Contributed by
The contributor to the topic, has influence but no direct control to avoid or mitigate impacts



Linked to
Related to the causes and/or contributors of the topic due to business relationships, thus only has indirect influence to avoid or mitigate impacts

List of materiality topics and its boundaries:

Ranking	Material Topics	GRI	Suppliers	Japfa Ltd	Japfa Regional Poultry & Aquaculture	Contract Farmers	Customers
1	Food Safety Certifications	Food safety					
2	Providing Nutritious and Affordable Food	Food safety					
3	Consumer Health and Safety	Food safety					
4	Ethics and Integrity	Anti-corruption					
5	Anti-corruption	Anti-corruption					
6	Economic Performance	Economic Performance					
7	Waste Management and Waste Treatment	Waste					
8	Fair Remuneration and Benefits	Employment					
9	Occupational Health and Safety	Occupational Health and Safety					
10	Wastewater Treatment	Water and Effluents					

03 IMPROVING NUTRITION

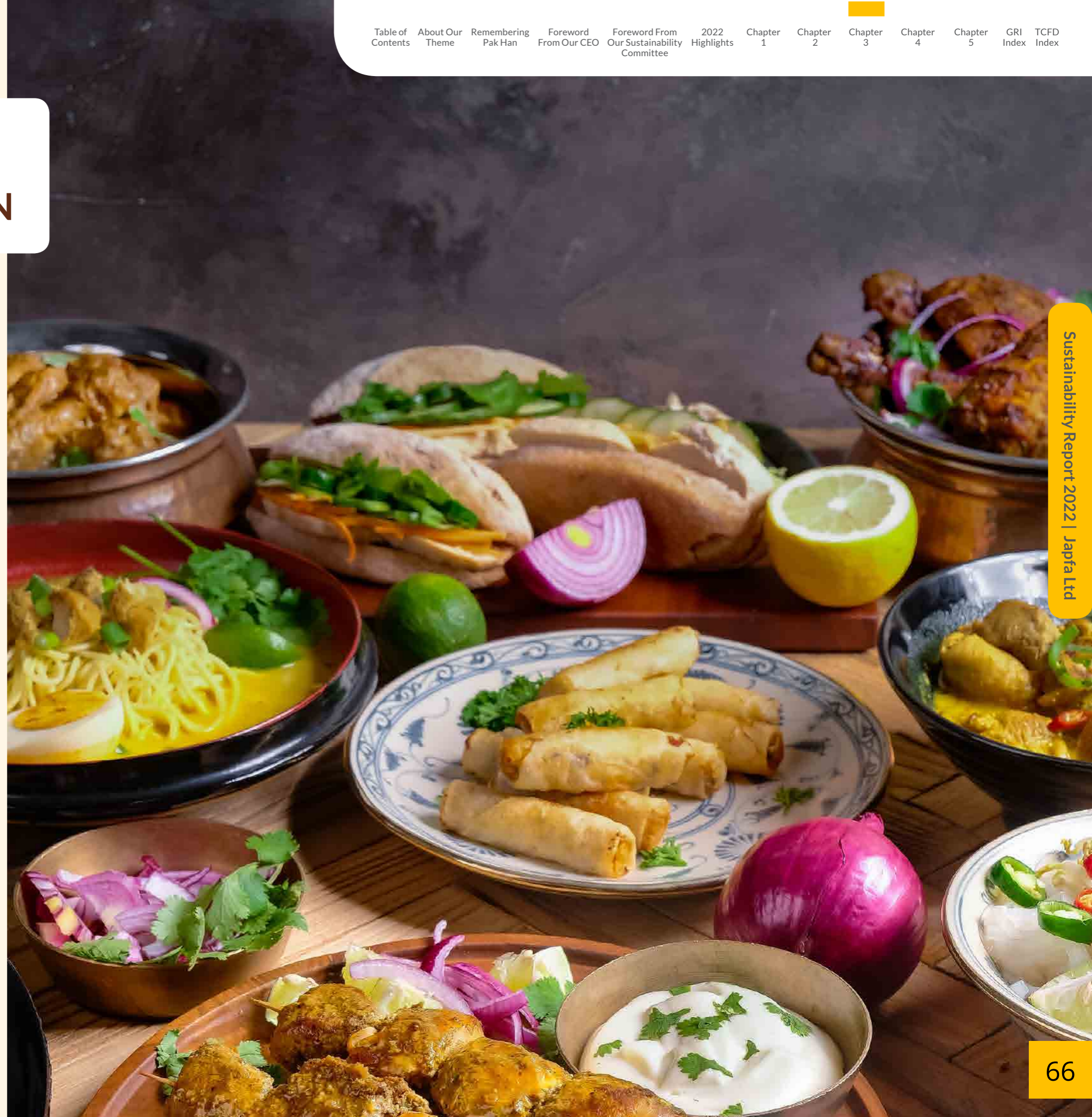
The COVID-19 pandemic reversed economic growth globally and drove poverty levels up. Coupled with inflation, the risk of food insecurity is rising in emerging Asia. Today, Asia still has the most people who cannot afford a healthy diet, with 1.3 billion living in the five countries where Japfa operates¹. Limitations to affordable healthy diet is also linked to the consumption of unsafe food, which can lead to diseases and malnutrition, especially in children.

The business of providing safe and nutritious proteins to a growing population is a pressing and ongoing challenge. A fragmented approach will not be sufficient to address this complex problem. Our approach of *Produce Locally, Consume Locally* is a key component of our holistic strategy to improve nutrition and build a more sustainable food supply chain in each country we operate in. We strive to deliver our role and responsibility as a staple protein food producer: traceability, timeliness, consistency and affordability.



¹ Food and Agriculture Organization of the United Nations. (2022). *The state of food security and nutrition in the world*. <https://www.fao.org/documents/card/en/c/cc0639en>

² World Health Organization. (n.d.). *Food safety*. <https://www.who.int/news-room/fact-sheets/detail/food-safety>



At Japfa, we are committed to providing essential animal proteins to feed the growing population of Emerging Asia, as part of a healthy, balanced diet. Our goal is to increase accessibility to safe, nutritious proteins that we produce locally in each country where we operate, while also contributing positively to the communities we serve.

Through our JAPFA for Kids program, we educate children on the importance of a balanced diet

and healthy lifestyle. This helps us alleviate the immediate impact of the current food insecurity crisis while laying the foundation for a resilient and adaptive food supply chain for future generations.

Our efforts aim to produce safe, affordable, and nutritious protein foods that are accessible to the masses, ensure that we continue to play our role in *feeding Emerging Asia*. [GRI 3-3]

Our Approach



Facilitating Access to Nutritious Proteins

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Food Safety and Traceability

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Nurturing Future Generations: JAPFA for Kids

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Facilitating Access to Nutritious Proteins

Japfa's vast network of farms and processing facilities allows us to provide animal proteins on a large scale. Our locally-produced proteins are distributed an extensive network within each country where we operate.

Industrialised Approach

As we reflect on our role as one of the leading protein producers in this region, we understand the complexities of improving nutrition in each country we operate in, which require care, commitment and collaboration throughout our supply chain. This becomes even more relevant with an outlook towards the future, where we know the population of Emerging Asia will continue to grow rapidly, especially in Indonesia and India, which are already densely populated today.

Japfa's industrialised approach to farming helps the Group meet its goal to produce affordable staple proteins in a efficient manner. We continue to embrace innovation and technological advancements in farming and livestock production to maximise our production capacity and leverage economies of scale. Along with our vertically-integrated business model, we have complete control over our production chain, from animal feed to live birds down to our branded consumer goods, to produce standard, quality output reliably. [GRI 3-3]





Geographical Reach

Within each country we operate in, we have a vast geographical reach, enabling us to facilitate consumers with access to nutritious proteins. With our extensive network of outlets and wide-ranging distribution channels, we can effectively distribute our products and services to customers within each country. For instance, in Indonesia, Vietnam and Myanmar, we are among the top producers of poultry feed and DOC.

We understand that nutrition is a critical factor in the development of people and society, and we place ourselves as a protein producer that can meet the needs of people struggling to have a balanced diet with nutritious protein food. We have managed to expand our operations to Upper Myanmar. In Indonesia, we expanded shipments and intensify our coverage in eastern part of Indonesia, such as Papua and Kendari. With our

wide-ranging distribution channels, we can improve access to animal proteins in areas where access to nutritious food is still quite limited to support the need for good nutrition.

There has been a change in consumer purchasing patterns with modern technology advancement, accelerated by recent movement restrictions due to the pandemic. Our products are now available to consumers in various online channels, such as e-commerce platforms and the Best Meat website. In India, this year, we have scaled up and developed a new business system to reach more people quickly by delivering more efficiently. With this new development, we reached more than 4,000 consumers through small depots in strategic locations and guaranteed quick preparation including delivery of products within 30 minutes.

Food Safety and Traceability

[GRI 416-1, 416-2, 417-1, 417-2, 417-3]



We understand that food safety and traceability are important public health issues in emerging Asia, especially seeing how Indonesia, Myanmar and Vietnam, located in Southeast Asia has the second highest burden of foodborne disease per population among World Health Organization (WHO) Regions², and 40% of infectious disease outbreaks in India come from diarrheal diseases and food poisoning³. Our vertically-integrated operations play an important role to ensure food safety and traceability across our supply chain, from animal feed to protein foods we deliver to our customers. [GRI 3-3]

Maintaining Food Safety

We take every step necessary to ensure that our products meet the highest standards for quality and safety, ensuring that our processes fully comply with all health and hygiene requirements for food production. Due to our vertically-integrated business model, we can ensure food safety every step of the way and standardise our measures across countries, making our products' safety reliable. On top of that, we regularly engage our suppliers and have stringent requirements for them to meet our expectations in terms of food safety, traceability and quality.

Our product labeling provides the transparent information in compliance with local government regulations. Good farm management practices are implemented across our operations to ensure animal health. Safer food depends on healthy animals. Our farm management practices adhere

to various standards such as Good Farming Practices and Best Aquaculture Practices (BAP). Both Good Farming Practices and BAP, for example, encapsulate standards to exercise responsible farming and aquaculture that ensures food safety, animal welfare, as well as producing in environmentally and socially responsible ways. The details on animal welfare and sustainable production can be read in Chapter 4, where we disclose more about our animal welfare practices in our efficient production system.

This year, there have been no incidents of non-compliance concerning the health and safety impacts of products and services, including the marketing and labelling of our products. [GRI 416-2, 417-2, 417-3] Our animal feed and food products go through stringent audits to ensure they are safe for consumption. [GRI 416-1]

² World Health Organization. (2016). *Burden of foodborne diseases in the South-East Asia Region*. <https://www.who.int/publications/i/item/burden-of-foodborne-diseases-in-the-south-east-asia-region>

³ Centers for Disease Control and Prevention. (2016, February 9). *India: labs rise to the challenge*. <https://www.cdc.gov/globalhealth/security/stories/india-foodborne-illness.html>

Our commitment to food safety is reflected by certifications in our facilities, among them are:

Feed Mills

- ISO 22000:2018 & Hazard Analysis and Critical Control Point (HACCP)
- NABL Accreditation
- Good Manufacturing Practices
- Best Aquaculture Practices
- ISO 9001

Farms

- Good Farming Practices
- VietGAP

Slaughterhouses and Food Processing Facilities

- Halal (in Indonesia, Myanmar and India)
- National Agency of Drug and Food Control
- Veterinary Control Number
- FSSC 22000 from SAI Global
- MSC CoC (Marine Stewardship Council Chain of Custody)
- BRC (British Retail Consortium) Certification
- BIS (Bureau of Indian Standards) Certification



“
Japfa India is the first agri-food company in India to obtain accreditation from NABL (National Accreditation Board for Testing and Calibration Laboratories) for poultry products.
 ”

Ensuring Traceability

Staple protein production is a complex process. There are many stages from animal feeding, breeding to fattening, processing, packing and distribution and the inputs going into each process. Food traceability is crucial in our value chain to ensure we deliver good quality, safe products to our customers. Our final products can be properly traced from the source, for example feed raw material, day old chick, and throughout the entire production process. We also are also committed to mitigating environmental impact by assuring that our raw materials are sourced responsibly. [GRI 3-3]

Our commitment to traceability is reflected in our Supplier Code of Conduct. With this Supplier Code of Conduct, we are committed to ensure that the products and services delivered by the suppliers meet or even exceed the quality and safety standards required by applicable law. In regard to responsible sourcing, our suppliers are required to exercise responsible sourcing, including providing us with the country of origin, practising due diligence, as well as exercising procurement that does not involve illegal activity, human rights abuses, mistreatment of animals, or terrorism.

Vietnam

We ensure that our suppliers are aware of the deforestation risks related to soybean meal which is one of the key raw material that goes into animal feed. Each shipment of raw materials must be accompanied by a Certificate of Origin.

Our suppliers are selected through an evaluation process based on our strict standards, including background checks on their reputation, as a preventive measure.

Myanmar

In 2022, Myanmar still faces challenges due to social unrest, which hampers people's access to safe food. Being a staple protein provider, Japfa takes to ensure our products are made accessible to the people and to avoid any supply chain disruptions by working with trusted suppliers. This

is especially critical amid the current turbulence in the country. During this difficult period, we continue to uphold our commitment to provide safe nutritious food to people in Myanmar, with full traceability back to our farms.

India

We believe that in order to produce high-quality products, there are several components involved which have to be handled well. These include the quality of raw materials, manufacturing processes and equipment, quality control, as well as the expertise and skills of the workers involved in the production process.

conduct visits to vendors on regular basis to ensure quality control. During our visits, we also reiterate our high expectations of standards to our suppliers.

At Japfa India, we pride ourselves to deliver high-quality products to its customers. We emphasize on the importance of good raw materials and the process chain from our suppliers hence we

We value customers' feedback and take it seriously to evaluate our processes and make improvements. Customers can give their feedback through our call centres and the issue raised will be investigated thoroughly, addressed properly to prevent any recurrence.

Indonesia

So Good Food has set a vigorous SOP to ensure that our customers can reach us easily when giving us feedback through various channels. To

address our customers accordingly, we train our employees to handle complaints and to respond within a specified timeframe.

“ **There were no product recalls for our animal proteins and animal feed throughout the Japfa Group in 2022.** ”

[GRI 13.10]

Nurturing Future Generations: JAPFA for Kids

[GRI 203-1, 203-2]

The future of the world is in the hands of our children. Every child is precious and deserves a chance to fulfil his/her potential. A balanced diet is instrumental to child development and prevention against stunting, which is a predominant issue for emerging countries. Malnutrition can impair the children's well-being and development and could potentially lead to other health risks. JAPFA for Kids is our flagship social investment programme dedicated to improving the well-being of children, especially those living in rural areas.



This programme is our in-kind contribution where we aim to make meaningful changes in how children adopt nutritional health and hygiene practices in everyday life, which in turn can support them in making lasting social changes in their communities.

Our program aims to improve the nutrition of children by promoting healthy behaviours, encouraging the consumption of nutritious food, and promoting good school governance. We also recognize the importance of school infrastructure in a child's educational experience and support this by renovating to upgrade schools and donating school materials to ensure students have a conducive learning environment.

⁵World Health Organization. (2020, April 29). *Healthy diets*. <https://www.who.int/news-room/fact-sheets/detail/healthy-diet>



Indonesia

Educating Children on a Balanced Diet and Healthy Living

[GRI 203-1]

This year, JAPFA for Kids provided assistance to 12 elementary schools spread out across five regencies. JAPFA for Kids organised programmes such as Clean and Healthy Behaviours and other programmes that promote the adoption of balanced nutrition in schools and integrated healthcare centres (pos pelayanan terpadu/posyandu). [GRI 203-1] The schools achieved breakthroughs in incorporating a healthy lifestyle through the implementation of programmes such as:

Balanced Nutritional Food Programme (PROMISE)

PROMISE is a comprehensive school-based programme focused on fostering healthier habits integrated with school regulations. In this programme, we encourage students to bring healthy lunches on “Lunch Day” in accordance with the “Isi Piringku” concept, especially for those who suffer from malnutrition. We also educate students to select healthy snacks in the canteen. Through this programme, we engage students, teachers, and parents to build awareness around consuming nutritious food.

In addition to encouraging healthy diets, we support clean habits such as with soap and running water before eating and disposing of waste through the PROMISE programme.



Did You Know?

The Nutrition Guide for Balanced Diet in Indonesia has been replaced and enhanced to describe a well-balanced meal portion. The new guide recommends that 50% of the plate should be filled with fruits and vegetables, and the remaining 50% with carbohydrates and protein⁷.

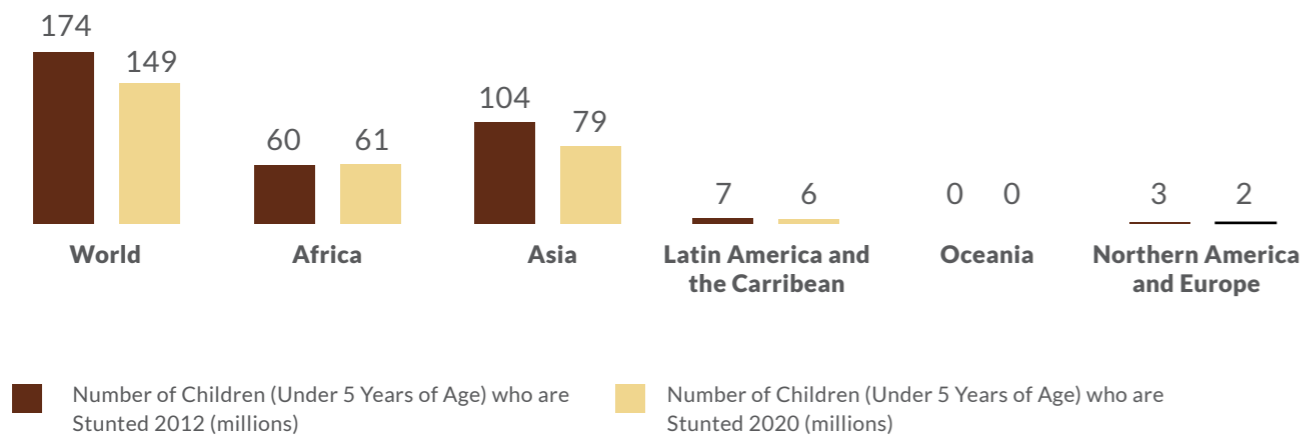


Did You Know?

Stunting is a form of malnutrition that impairs growth and development in children. It stems from poor nutrition, repeated infection and inadequate physical or social stimulation. In 2020, more than half of stunted children are from Asia.⁵

Stunting is a serious health issue because it can cause permanent damage to cognitive development, which can extend into adulthood impacting their learning abilities, productivity and potential future earning prospects. According to the World Bank, the economic consequences of undernutrition can affect 3 to 16% (or more) of GDP for low-income families due to the loss of productivity⁶.

Number of Children (Under 5 Years of Age) Who are Stunted Globally



⁵ Food and Agriculture Organization of the United Nations. (2022). The state of food security and nutrition in the world. <https://www.fao.org/documents/card/en/c/cc0639en>

⁶The World Bank. (28 September 2021). Nutrition overview. <https://www.worldbank.org/en/topic/nutrition/overview>

Joint Exercise and Additional Physical Activity

To ensure every student is able to stay fit and active, the schools hold regular gymnastics sessions and other physical activities such as traditional games tailored specifically for overweight children. Our teachers also closely monitor the progress of these students and guide them to a healthier lifestyle.

One Day One Egg

Eggs are an essential source of protein that can help nourish students during their formative years. For four months, students who experience undernutrition and malnutrition in this programme will receive a single egg each day to support healthy growth and development.

⁷Firmansyah, F. (2018, June 25). Kementerian Kesehatan RI Direktorat Jenderal Kesehatan Masyarakat. *Isi piringku*. <https://kesmas.kemkes.go.id/konten/133/0/062511-isi-piringku#:~:text=Secara%20umum%2C%2022Isi%20Piringku%22,terdiri%20dari%20karbohidrat%20dan%20protein>

Healthy Canteen

Healthy Canteen is an innovative programme designed to provide balanced nutrition in canteens managed by schools and provide students with access to healthy meals. Currently, this programme is implemented in Segoroyoso Public Elementary School, Bantul Regency, and we plan to roll out this programme to other schools in the future. After running for four months in 2022, the Healthy Canteen has started to generate a small profit. The profits will be reinvested to fund school activities for the children.

Clean and Healthy Behavior Practices in Schools

Teachers and facilitators worked together at Japfa's assisted schools to inspire children to lead a healthier lifestyle, through Clean and Healthy Behavior practices such as checking nails and washing hands with soap before entering the class or eating. In some areas such as Aceh, Padang and Maros, students were taught the importance of nutrition and proper hygiene by designated school ambassadors. Local community health centres known as puskesmas also socialised healthy snacks and balanced nutrition to all students so that they can make healthy choices for themselves.

5S-Based School Governance

We assign facilitators at schools to initiate the formation of the 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) Committee as part of the school system.



Did You Know?

5S is a concept from Japan consisting of Seiri (Sort), Seiton (Straighten), Seiso (Sweep and Clean), Seiketsu (Systemise) and Shitsuke (Standardise)⁸. 5S aims to reduce waste and increase productivity by maintaining an orderly work environment⁹. The successful application of this concept in the work environment inspired us to adopt this concept at JAPFA for Kids' assisted schools.

“ Local ambassadors are appointed so as to embed the 5S into school policies and to encourage continuous healthy practices in school such that the initiated programmes will be long-lasting and create sustainable positive impact. ”

⁸Kementerian Perindustrian Republik Indonesia. (10 November 2017). Penerapan konsep "5-S" dalam dunia kerja. <https://bdiyogyakarta.kemendperin.go.id/blog/post/2017/11/10/46/penerapan-konsep-5-s-dalam-dunia-kerja>

⁹Pringle, P. Japan Intercultural Consulting. 5S in the Japanese workplace - seiketsu: sanitizing and standardizing (part 4 of 5) <https://japanintercultural.com/free-resources/articles/5s-in-the-japanese-workplace-seiketsu-sanitizing-and-standardizing-part-4-of-5/>

Healthy Saturdays

On Saturdays, we have Healthy Saturdays programme at school where we promote a healthy lifestyle through various activities. This includes following guidelines for washing hands with clean running water (*Cuci Tangan Pakai Sabun* or CTPS), proper waste disposal, bringing self-prepared meals, as well as participating in community clean-up activities that helps to nurture healthy living habits.



This year, we showed our appreciation to the schools that received assistance from us in 2020 and 2021 with the 2022 JAPFA for Kids Awards. These awards also served as an evaluation for the progress made by students and teachers as the competitions were centred around the materials we disseminated in JAPFA for Kids. We unleashed the creativity of the students through writing and colouring competitions under the theme of PHBS, and teachers also participated in competitions on school governance and healthy school programmes.

The 2022 JAPFA for Kids Awards was held in nine districts and divided into three different regions.



Region 1:
Tulungagung Regency,
Brebes Regency and
Indramayu Regency



Region 2:
Subang Regency, Serang
Regency and Purwakarta
Regency



Region 3:
Sumbawa Regency, Gowa
Regency and Pinrang
Regency

Stories from JAPFA for Kids Participants

I discovered balanced nutrition from the JAPFA for Kids programme. Through activities conducted by Japfa, my friends and I now know about the importance of healthy food and exercising. I will always take care of my health at school, while playing and also at home.

Ibnaty Salsabila – Grade 4 Student, SDN 54 Banda Aceh



From the JAPFA for Kids programme I know what clean and healthy behaviours (PHBS) consist of: washing hands with soap and running water, exercising routinely, consuming a balanced diet, proper toilet use, and checking weight routinely. My friends and I have started changing our behaviours. We now wash hands more often, exercise happily and eat our vegetables.

Muhammad Zahir Yafiq – Grade 4 Student, SDN 54 Banda Aceh

In the past, I only washed my hands before I ate. Now after becoming a JAPFA for Kids Ambassador, my friends and I learned about how to properly wash hands and what the benefits are, which is why I wash my hands more often—before and after eating, before going into class, after throwing trash and after I go to the bathroom. Washing hands with running water and soap turns out to be quite important to prevent diseases in our bodies.

Haura Kayyisa Ghassani – Grade 5 Student, SDN 54 Banda Aceh



A Message from SDN 06 Pasir Jambak's Principal



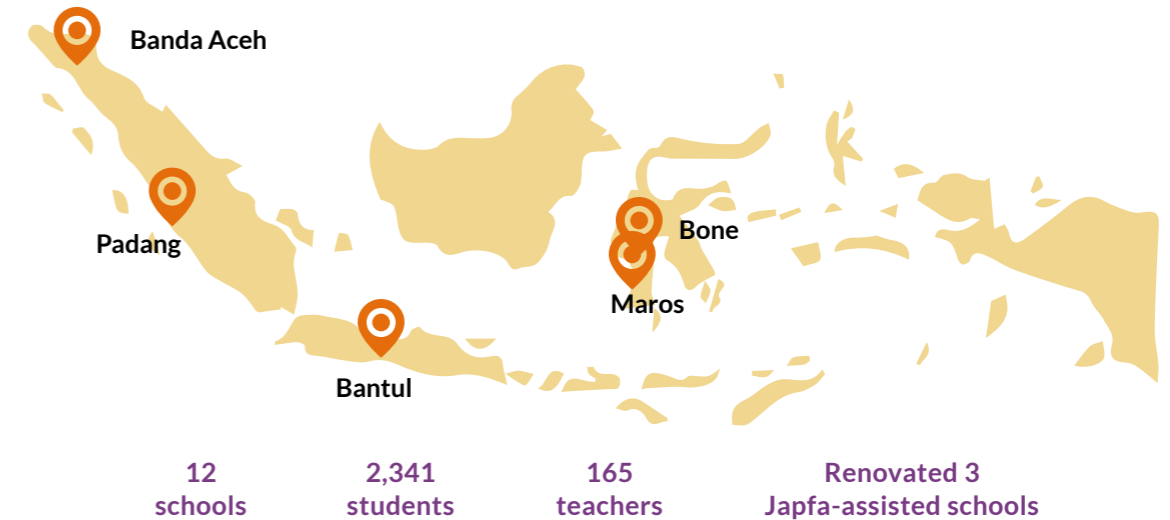
I am grateful that the JAPFA for Kids programme at SDN 06 Pasir Jambak has been very beneficial for kids in the school. I hope this programme can be implemented in other schools around us too. I wish Japfa continuous success for the future.

Muhamad Dasir, S.Pd - Principal, SDN 06 Pasir Jambak

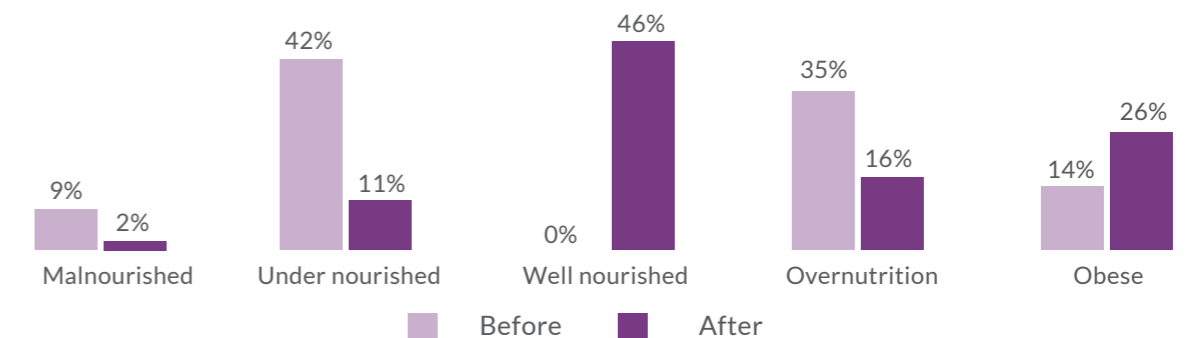
Our Impact and Outreach

We saw progress in our partner schools reflected by an improved nutritional status among students from the start of our involvement until the end of the year.

JAPFA for Kids' Reach in Indonesia in 2022



Nutritional Status of Students Who Received Intervention From the JAPFA for Kids Programme



About our data

1. The data pertains solely to 2022, as the malnutrition intervention was initiated in that year
2. The data consists of intervention data from 12 schools by JAPFA for Kids, located in Padang, Bantul, Banda Aceh, Bone and Maros
3. The intervention involved the provision of eggs and was carried out between September - December of 2022
4. The students' nutritional status was determined using the criteria based on Regulation of the Minister of Health, Indonesia Number 2 of 2022 on Child Anthropometry Status

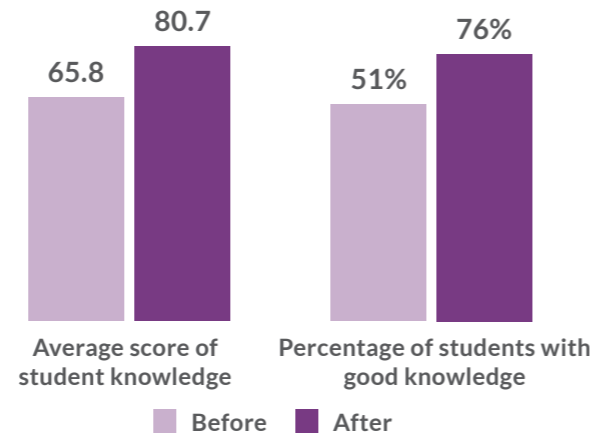
Based on the health examination results of 2,046 students, we found that 676 students (27.0%) were suffering from malnutrition. We provide protein for malnourished and undernourished students through the "one day one egg" intervention for four months,

while overweight and obese students were given additional physical activities. From the interventions, we see that there is a positive change in the nutritional status of 308 students (45.6%) from malnourished to normal or well-nourished status.

Apart from assessing the nutritional status of malnourished students, we also evaluated their knowledge and behaviours regarding cleanliness and health. The evaluation was conducted on 304 sample respondents from grades 4 to 6 in six areas with JAPFA for Kids programmes. The survey was conducted at the beginning and end of the program to see the real changes resulting from assistance provided by JAPFA for Kids.

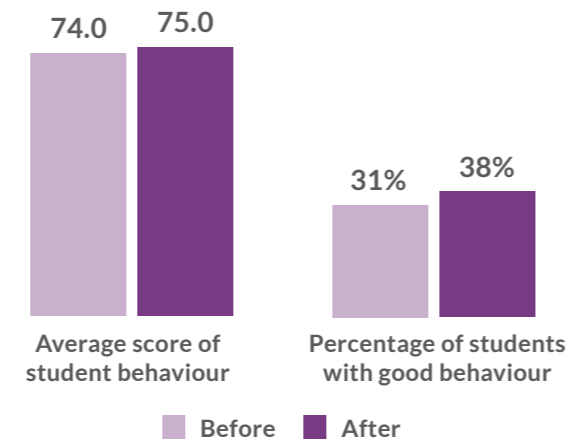
Students' Knowledge of Clean and Healthy Behavior

In general, students' average knowledge increased from 65.8 (moderate) to 80.7 (good). We also see that there has been a 24% increase in the proportion of students with strong knowledge (above 80). This indicates that the education provided was efficient to boost students' knowledge of PHBS.



Students' Adoption of Clean and Healthy Behavior

Overall, there was an increase in the mean score of students' behaviour from 74.0 to 75.0, and there was a 7% rise in students displaying good behaviour from the end of the programme. These results suggest that the intervention was able to raise awareness level of the children to a healthier lifestyle.



One of the reasons that the behavioural change was not significant is the students' inability to make dietary decisions due to their age, where their eating habits are largely influenced by parents at home. Hence, promoting healthy consumption habits will require a more prolonged intervention period and a concerted effort from parents and other relevant parties.



“ Japfa received the "Apresiasi GERMAS" award from the Ministry of Health, Indonesia. This award is acknowledgement of Japfa's contribution to take concrete steps and lead efforts in promoting healthy living. ”

Reducing Stunting Cases through Santosa untuk Anak Nusantara

Besides being present in schools, JAPFA for Kids also conducts programmes which target to alleviate stunting issues through early intervention. Stunting is a critical issue related to child nutrition in Indonesia where according to the Indonesian Nutrition Status Study (Studi Status Gizi Indonesia or SSGI), the stunting rate in 2021 reached more than 20%¹⁰. Although this figure is lower than 2019 results, much remains to be done to achieve the government's target of 14% by 2024¹¹.

We developed a stunting alleviation programme called Santosa untuk Anak Nusantara with Edu Farmers Foundation by increasing the consumption of animal protein for children under five in:

- Lemahwungkuk District, Cirebon
- Bululawang District, Malang
- Turikale District, Maros

Parents with toddlers who have stunting issues, can buy eggs from Japfa at a low subsidised prices to supplement the children's daily protein intake. [GRI 203-1] This subsidy will continue until a child is declared free of stunting. We also educate parents on the consumption of balanced nutrition so that they can implement a healthy diet at home that goes even after their children are declared no longer stunted.



¹⁰ Badan Litbangkes Kementerian Kesehatan Republik Indonesia. (2021, December 28). *Angka stunting turun di tahun 2021*. <https://litbang.kemkes.go.id/angka-stunting-turun-di-tahun-2021/>

¹¹ Sekretariat Kabinet Republik Indonesia. (2022, January 11). *Inilah upaya pemerintah capai target prevalensi stunting 14% di tahun 2024*. <https://setkab.go.id/inilah-upaya-pemerintah-capai-target-prevalensi-stunting-14-di-tahun-2024/>



Cadres from the integrated healthcare centres play a vital role in distributing eggs to parents, and the local government helped to monitor beneficiaries. Once a month, Japfa's facilitators, along with the cadres and health workers from *puskesmas* carried out monthly evaluations whereby they measure children's height and weight to ensure a sustained improvement in their nutrition.

Since September 2022, the programme has benefited a total of 188 individuals, comprising 140 children who are stunted and 69 underweight children under five years old. As per the evaluation conducted until December 2022, there has been a reduction of 17.9% in the number of stunted children under five, and a decrease of 23.2% in the number of underweight children under five.

“
JAPFA for Kids aims to embed the importance of a balanced diet and cultivate healthy habits in children from an early age.
 ”

Develop Nutrition Journals with Universitas Indonesia to Monitor Nutritional Intake

This year, we are proud to announce our involvement in the Kedaireka Matching Fund programme spearheaded by the Ministry of Education, Culture, Research and Technology to synergise collaboration between academic institutions and the industry sector. JAPFA for Kids collaborated with Universitas Indonesia's School of Public Health to promote children's health through developing student nutrition journals targeting schools located in Padang City and Padang Pariaman District.

Did You Know?
 A nutrition journal is a simple approach to consistently track students' daily nutritional consumption.

Improve Nutrition through Collaboration with doctorSHARE

In 2022, we collaborated with doctorSHARE in Kei Besar, Maluku, which aimed to support six schools in promoting the adoption of washing hands with soap and running water while also providing PHBS facilities. Our objective was to ensure that the knowledge gained is applied in daily life and instilled as positive habits for the future. Furthermore, we assisted these schools by donating 60 computers to aid students in need with their education.

We also worked together with 10 integrated health centres, and it began by assessing the needs and circumstance of the centres. Our contribution also includes enhancing the effectiveness of the cadres

in delivering services to the communities. We also constructed a nutrition post where different types of vegetables are produced to educate about the importance of a nutritious, well-balanced diet and utilisation of available land.

To promote the significance of a well-balanced nutritious diet, we collaborated with doctorSHARE and Edefarmers Foundation by establishing a nutrition post. A diverse range of vegetables are planted in the compound by making use of empty land. The local community can benefit from the harvest.



Competition for Improved Nutrition

Japfa and doctorSHARE conducted a cooking competition for *posyandu* cadres and parents of toddlers as a means to promote a healthy diet. In this competition, we assessed the cooking ingredients and serving sizes according to the proportional nutrition for children and toddlers. This competition also encourages the community in Kei Besar to utilise local potential ingredients as healthy and nutritious food.

Vietnam

Enhancing the Quality of School Meals

Meals in school play an important role in boosting students' health. As a reliable staple protein producer in Vietnam, we support local schools with fresh and nutritious protein foods, to provide a balanced diet for the students.

This year, we supplied Japfa Best's chickens and eggs to Hoa Mai Kindergarten and Hoa Phuong Kindergarten. In total, we provided over 20,000 eggs and approximately one tonne of fresh chicken meat to more than 500 students during the year.



Providing Learning Facilities to Students

A safe learning environment is crucial for students to study well. It provides physical comfort that promotes a positive learning atmosphere and ensures classes can run smoothly. Through JAPFA for Kids, we facilitated the construction and renovation of many schools across Vietnam.

We also understand that school supplies are essential to the learning process. School supplies, such as writing materials and backpacks, help students to stay organised and support their learning process. However, school supplies may not be affordable to all students, especially to those who face financial challenges. At the opening ceremonies of the new school year, Japfa distributed nearly 400 gifts including backpacks and notebooks to students with difficult circumstances to support their learning at school.



In India, we continue our contribution to the community by providing facilities to support education. We provided schools with computers for a computer lab at Ajnuj. Aside from that, we built toilets in a school in Supa to promote the practice of WASH (Access, Sanitation and Hygiene) among students.

India

04 EFFICIENT PRODUCTION SYSTEM

The world population hit 8 billion this year¹, and is expected to reach 9.8 billion in 2050². As the world faces an ever-growing population, global demand for food will surge and there will be increasing competition for limited resources. At the same time, climate is also a threat to food security, and its impact on productivity and affordability is already being felt. Feeding a huge Feeding a huge growing

Japfa's motto of *Feeding Emerging Asia* is to supply affordable protein staples for more than 20% of the world's total population³. At Japfa, we strive to continually improve the efficiency of our livestock production through superior genetics, good animal nutrition and modern farming techniques, to produce good quality staple proteins that are affordable and made accessible to the people.



¹ United Nations. (2022, November 15). *World population to reach 8 billion on 15 November 2022*. <https://www.un.org/en/desa/world-population-reach-8-billion-15-november-2022>

² United Nations (n.d.). *World population projected to reach 9.8 billion in 2050, and 11.2 billion in 2100*. <https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100>

³ Population Reference Bureau. (2022). *World Population Data Sheet 2022*. <https://www.prb.org/wp-content/uploads/2022/09/2022-World-Population-Data-Sheet-Booklet.pdf>



Sustainability Report 2022 | Japfa Ltd

A leading animal protein producer, Japfa supplies about 20-25% of staple proteins in many of the developing countries we operate in. Leveraging on our vertically-integrated business model, we optimise the full potential of our value chain to deliver affordable staples in an efficient way to improve the diets and health of millions of people in emerging Asia. In doing that, we also promote sustainable practices in the agri-food industry, working together with our stakeholders including employees, farmers, suppliers and communities.

Our efficient production system benefits from large scale and standardised operations in each country so we can enjoy economies of scale and keep costs low. By sourcing our raw materials locally where feasible, and embracing technologies throughout the production process, it aids us to optimise the use of energy and resources throughout our supply chain and reduce our environmental footprint. [GRI 3-3]

Our Approach



Upholding Animal Welfare

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Efficient Use of Energy and Resources

Page 103



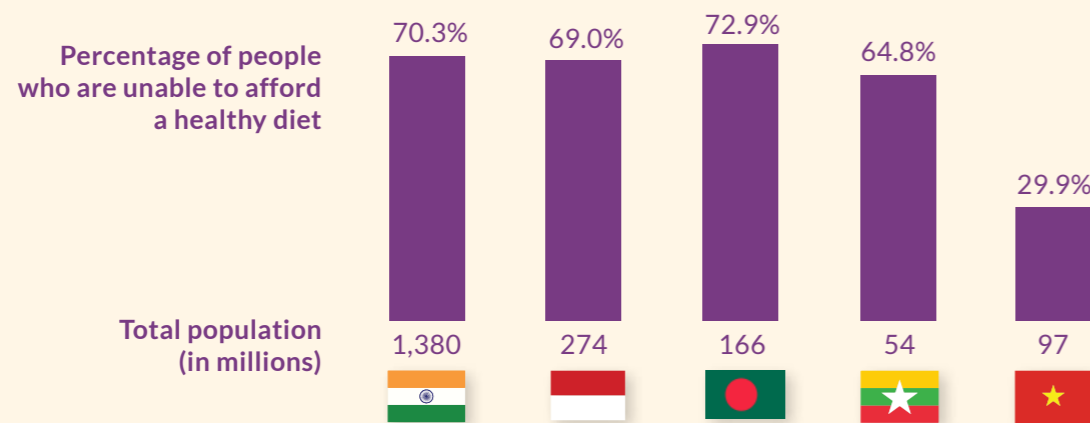
Emissions and Waste Minimisation

Page 113



Did You Know?

Based on FAO's report⁴, the majority of the people living in Japfa Emerging Asia countries cannot afford a healthy diet.



⁴ Food and Agriculture of the United Nations. (2022). *The state of food security and nutrition in the world 2022*. <https://www.fao.org/publications/sofi/2022/en/>

Upholding Animal Welfare

[GRI 13.11]

Good animal welfare practices are the foundation of successful farming. Protecting the animals effectively boosts operational efficiencies which improves affordability of foods to local communities and ultimately improves the health of the population Japfa strives to feed. Upholding animal welfare leads to happier and healthier animals, which reduces losses due to illness and makes more efficient use of resources, keeping our products affordable to the masses.

Our efforts to uphold animal welfare include providing a safe and conducive living environment for the animals, stringent and robust biosecurity measures to protect the animals from viruses and diseases, consistent monitoring of animal health and farm conditions to ensure their well-being, providing best feed formulation for animal health and growth, controlling the use of antibiotics and vaccines as well as optimising the genetic potential of animals.

Five Freedoms of Animal Welfare⁵



Freedom from Hunger and Thirst

by ready access to fresh water and a diet to maintain full health and vigour.



Freedom from Discomfort

by providing an appropriate environment including shelter and a comfortable resting area.



Freedom from Pain, Injury, or Disease

by prevention or rapid diagnosis and treatment.



Freedom to Express Normal Behavior

by providing sufficient space, proper facilities and company of the animal's own kind.



Freedom from Fear and Distress

by ensuring conditions and treatment which avoid mental suffering

Our farming practices are formulated and implemented based on the Five Freedoms of Animal Welfare. This concept is the first widely accepted evidence-based framework that outlines key animal welfare aspects in one model⁶ and has had a considerable impact on international legislation and national policies on animal welfare⁷.

⁵ Farm Animal Welfare Council. (2009, April 16). *Five freedoms*. <https://webarchive.nationalarchives.gov.uk/ukgwa/20121010012427/http://www.fawc.org.uk/freedoms.htm>

⁶ Royal Society for the Prevention of Cruelty to Animals. (May 18, 2021). *What are the five freedoms of animal welfare?* <https://kb.rspca.org.au/knowledge-base/what-are-the-five-freedoms-of-animal-welfare/>

⁷ Orzechowski, K. (2015, January 9). *Five freedoms, five decades later*. <https://faanalytics.org/five-freedoms-five-decades-later/>

Stringent Biosecurity

[GRI 13.11.1]

Biosecurity is of utmost importance to protect our animals against the spread of diseases and other threats to human and animal health. It involves establishing measures to reduce the risk of infection spread, pests and other hazardous materials into a particular environment. This includes screening visitors and vehicles, controlling access to facilities and using proper hygiene practices.

Biosecurity Protocols

Implementing biosecurity protocols helps keep animals healthy and free from suffering, and limits potential costly losses due to mortality or reduced production. Japfa's biosecurity protocols are based on three components: isolation, traffic control and proper sanitation.



Isolation

The concept of isolation focuses on how we spread out our farms and stay apart from other farms, slaughterhouses, or homes. The isolation concept ensures that farms are following the zoning regulations by the government to avoid contamination.



Traffic Control

We protect our animals from potentially harmful substances and contaminated things by regulating the traffic entering and exiting the farms. We regulate the traffic through a visitation matrix, a table that determines when people and vehicles are permitted to access the farms and that it is subjected to strict surveillance. Traffic control is also governed by dividing our farm and hatchery into three zones: Red Zone (parking lot, security post, and generator area), Yellow Zone (intermediate area consists of office areas among others), and Green Zone (animal houses).

For example:

- Contact tracing and recording of visits, such as the use of a specialised application called KIMKIK (Kartu Ijin Masuk Kartu Ijin Keluar/Entry and Exit Permit Card) in poultry breeding Indonesia
- An 'all in, all out system' ensures our poultry move through stages of production in consistent batches, which minimises risks of disease transmission from one batch to another in Vietnam



Proper Sanitation

People, vehicles, raw materials and equipment conduct proper sanitation as part of biosecurity protocols. This includes bathing, changing into sanitised clothes, fumigation, car dipping, and disinfection when entering and leaving each zone.

For example:

- Isolation of unhealthy chickens
- Provision of personal protective equipment (PPE) and masks for visitors
- Chlorination of drinking water for the animals
- Testing and cleaning at feed mills to avoid contamination of the animal feed

In our aquaculture operations, standard operating procedures (SOP) on biosecurity are implemented to protect our aquatic animals from disease. These SOP includes:



Isolation

Ensuring isolation within aquaculture is crucial to safeguard the well-being of our aquatic animals. This entails placing aquaculture zones at a distance from one another, thereby minimising the chances of transmission of diseases.



Strict Sanitation

We maintain strict procedures for employees, raw materials and equipment entering our aquaculture area. This includes showering, changing clothes, using PPE, tire baths for vehicles and sterilisation for equipment.



Broodstock Selection and Routine Health Checks

Our shrimp broodstock undergoes a quarantine process to ensure that they are free from disease and viruses. Routine health checks are conducted with the polymerase chain reaction (PCR) system.



Aquaculture Disease Mitigation

We mitigate aquaculture diseases in our aquaculture operations by monitoring water quality, removal of dead fish and shrimp, as well as through the use of feed materials approved by Indonesia's Ministry of Maritime Affairs and Fisheries (Kementerian Traffic Control Kelautan dan Perikanan/KKP).



Japfa Aquaculture, Shrimp Hatchery

Safe Handling of Animals

To ensure the animals are comfortable and stress-free, we take extra precautions with the proper handling of livestock, starting from loading/unloading to transportation and slaughtering.

Reducing Excessive Handling

Our highly skilled staff are experienced to ensure hygiene for hatching DOC and avoid excessive handling, which may cause undue stress to the chicks during their growth.

In-ovo Vaccination

In ovo Vaccination is a safe, reliable and precise way to administer required vaccine which will provide protection for the day-old-chickens (DOC) when born.



Ethical Slaughtering Practices

The chickens and tilapia are stunned before slaughter and is done in the most humane way possible. Stunning renders the animal unconscious as well as insensible to pain. This practice is in line with the guidelines for Halal slaughtering and animal welfare.

Proper DOC Distribution

The DOC are contained in reusable plastic or cardboard boxes and delivered in air-conditioned or ventilated chick vans. We planned the delivery of the DOC carefully to the customers from the nearest hatchery to minimise the stress of the DOC. Delivery routes are designed and planned, assigning customers to the nearest hatchery in order to minimize stress on the DOC.



Consistent Monitoring of Animal Health and Farm Conditions

Comprehensive steps are taken to ensure the health and comfort of our poultry and aquaculture, such as:

- ✓ Close monitoring of their weight and set ideal weight targets, as well as a balanced dietary plans that keeps them in good health
- ✓ Specially formulated feed for the animals' optimal health and growth at different stages
- ✓ Spacious closed-house poultry farms for freedom of movement and temperature-regulated environment for animal comfort
- ✓ Free access to food and water at all times
- ✓ Regular screening for our aquatic animals includes monitoring their health, appetite, activity, growth and mortality
- ✓ Inspection in shrimp hatcheries includes using polymerase chain reaction (PCR) tests to assess newly arrived broodstock before they are released into the ponds, control over feed consumption, breeding and disease checks

At Japfa, we strive to achieve highest standards and performance. Operational audits by internal auditors are conducted to ensure we abide by regulations and requirements. Any issues and recommendations identified are addressed in a timely and organised manner to enhance our procedures for optimal performance.

Examples of audits conducted in the poultry and aquaculture units:

Indonesia

- Avian influenza-free Compartment
- Standar Nasional Indonesia (SNI)
- Good Farming Practices
- Best Aquaculture Practices (BAP),
- Cara Budidaya Ikan yang Baik (CBIB)
- Good Fish Quarantine Methods (CKIB)
- Sedex Members Ethical Trade Audit (SMETA) in Indonesia.

India

- Safety and electrical audits in farms and hatcheries

Comfortable Farms

[GRI 13.11.1]

Another important element to upholding animal welfare is to give our animals a comfortable place to live and grow, since optimal living conditions minimise stress and allow them to grow healthily. With comfortable farms, we protect our animals from predators, diseases and climate variations in the different countries.

Implementation of Closed-house System in Poultry Farms

Heat stress is a prominent concern especially in South East Asia and India where we operate. Not only is it uncomfortable for both animals and humans, there is higher likelihood of infectious diseases that will threaten the flock. There is no doubt that heat stress takes a heavy toll on the health, welfare, and production in both broilers and egg-laying hens alike⁶.

Maintaining the brooding temperature in a Commercial Growth Farm during the first 14 days of chicks' life is a significant challenge, particularly during low climatic temperatures, such as those in the winter season. This challenge can have an impact on the growth of the chicks, as well as their subsequent health issues and liveability.

Sensors in the barns monitor the CO₂ levels to ensure there is no excess humidity or heat. Another

aspect of our proper ventilation is cooling pads, which are used in our India operations to combat summer heat and to cool down temperature in the farms for the chickens.

In mitigating climate-related risks, Japfa has been transitioning to closed-house systems over the past years. The closed-house system equips poultry farms with proper ventilation that allows temperature and air quality control, so the living environment is adapted to best suit the chickens at different stages in life and help them to cope with climate change.

During winter in India, we focus on keeping the chickens warm and with optimal ventilation. The slatted flooring used also ensure comfort for the feet of the chickens and a deep litter system helps to maintain cleanliness and facilitates ease of handling the manure.

“ Recognising that climate plays a crucial role in our business, we have made significant efforts to mitigate the impact of climate change. One of them is by implementing closed-house systems in our company-managed poultry farms. ”



Good Water Quality for Aquaculture

Good water quality is vital to aquaculture farming as fish and shrimp are by nature highly sensitive to changes in their environment. If the water is not well managed, it can potentially lead to many issues such as disease outbreaks, slower growth and impedes productivity.

Japfa pays a lot of attention to ensure that the water quality is optimal for the health and growth of the aquatic animals, which in turn improving yields and survival rate. To ensure clean and healthy water for our fish and shrimp, we take the following measures:

- Implement water chlorination systems with an optimised dosage in order to aid the disinfection process. It is an important step in removing unwanted microorganisms from water
- Utilising geo spacing and choosing locations that can support water flow by observing the water quality to ensure good water flow in aquaculture area
- Quality feed to fish and shrimp which fulfil SNI and BAP standards and distributing feed with broadcaster to avoid excess aquafeed waste and reduce pollution in the water
- Conducting periodical checks on the microbial condition of the water and ensure that the water is suitable for animals' development



Stocking Density

Stocking density is critically important because it affects animals' health and happiness. We are aware about the impacts of high stocking density and follow the guidance on animal welfare from respected sources, such as Aviagen's Animal Welfare Goals and Principles and Best Aquaculture Practices.



Poultry
(birds/m²)

4 (GP) **6** (PS) **17** (FS)



Floating fish cages
(approximate fish/m³)

110



Best Feed Formulation

[GRI 13.11.1]



Feed provides the necessary nutrients such as amino acid, energy, mineral and other essential components to help the animals grow strong and productive. Japfa continues to provide feed that meets the right dietary requirements with the highest standards of quality, as well as devises suitable feeding programs to ensure our animals achieve optimum performances and health. A few years ago when we welcomed the coloured chicken breed to the Japfa family, we spent time and effort to develop and customise their specific diets and feeding programs so they can grow and perform as good as its cousin the broiler chicken.

Research and Development

We conduct extensive research to better understand how our feed can help improve our poultry and aquaculture performance and control the quality through testing. In Indonesia, this continuous improvement in our chicken feed is done by the research team at Japfa Poultry Research Farm (JPRF), where we uncover the potential from new enzymes or other additives through thorough study on precise feeding nutrition.

In aquaculture operations, we have established a dedicated research facility called the Japfa Aquaculture Research Station (JARS) in Indonesia. JARS focuses on developing the best feed formulations, as good feed is an essential element to aquaculture. This is particularly important for shrimp farmers who are operating in areas with diverse water conditions. Through these efforts, we aim to promote sustainable and responsible aquaculture practices that support the long-term health of our oceans and the communities that rely on them.

Reliable and Consistent Quality

We establish long-term relationships with trusted suppliers. This allows us to source materials at competitive costs and secure reliable deliveries while giving us control over the quality of our ingredients.

To enhance traceability in some of our aquafeed products, we procure soybean meal that has been certified by either ProTerra or The Roundtable of Responsible Soy (RTRS). Another example of our commitment to consistency in quality can be seen from what we do in India for our wheat, where we evaluate the wheat samples from different locations and choose the supplier that can deliver most consistent and good quality raw materials.

Controlled Use of Antibiotics and Vaccines

[GRI 13.11.1]

Vaccination to Safeguard Animal Health

Proper vaccination keeps the animals healthy. Vaccinations are administered appropriately and as required, under the supervision of qualified veterinarians. The jabs help to protect the chickens against diseases such as Avian Influenza and Marek's disease.

Keeping the animals healthy also means they are less prone to diseases and illnesses. This brings about cost savings in terms of medication needs and mortality, which helps to keep production costs low and consumers can benefit from more affordable products.



Antibiotics for Sick Chickens

As a responsible staple protein producer, Japfa is committed to produce safe and nutritious food to *Feed Emerging Asia*. We are committed to produce healthy animals to ensure food safety and food security for the consumers. Antibiotics are used in a responsible manner and in accordance with each country's regulations. Strict control is exercised on the use of antibiotics to treat sick chickens and the medication must be prescribed by licensed veterinarians.

Although it is not mandatory, our other operations are transitioning to be AGP-free.



At Japfa, the use of antibiotics is under strict control and in compliance with regulations.

In Indonesia, our operations is free from Antibiotic Growth Promoter (AGP).



Did You Know?

In ovo vaccination is a revolutionary way of inoculating chicks against various diseases. This method of vaccination reduces costly errors, saves time and bird stress levels are kept to a minimum.



Localised Approach in Vaccine Production

We also take a local production approach for our vaccines. In Indonesia, our subsidiary Vaksindo under PT Japfa Tbk does research and produces vaccines which provide our operations and customers with accessible animal health solutions. Clinical trials are conducted for the development of antibiotics and vaccines, with the aim to develop scientifically-based solutions for poultry and aquaculture.

In India we set up a special unit to produce vaccines locally, which helps to reduce transportation and logistics requirements, thus limiting the environmental impacts from imported vaccines and at the same time, boost local production in India. In Vietnam, the construction of a new vaccine factory is underway.

Optimise Genetic Potential

We understand the importance of selecting livestock breeds that are well-suited to local climate conditions to **Feed Emerging Asia**. This is key in helping animals thrive and perform optimally, leading to improved production efficiency and cost savings throughout the supply chain, so that we can produce affordable food for the people.

We select suitable breeds for the local climates in which we operate in and optimise their genetic potential through good farming practices that uphold animal welfare. From this understanding, we are able to provide people with meat that suits not only the local climate but also local consumer preferences, as we consider the conservation and optimisation of local breeds' genetic potentials as well.



We select specific genetics that suit the local climate and local consumer preferences,



Ayam Ulu and Coloured Chickens: Meat that Meets Local Preferences

Ayam kampung and coloured chickens have many varieties and are the preferred sources of protein in Indonesia and Vietnam, respectively. Different regions may have different preferences regarding characteristics of ayam kampung and coloured chickens.

In Indonesia, ayam kampung or Gallus domesticus is one of the preferred sources of protein due to its taste and health benefits. However, its slow growth and small-scale production means the prices are higher, making it less affordable. We understand the local preference. Through our continuous research, we have now successfully bred ayam ulu, from ayam kampung and hubbard chickens. Ayam ulu has similar characteristics as ayam kampung, which with our industrialised approach can be produced in a larger scale, offering consumers an alternative to ayam kampung at a more affordable price and consistent quality.

Preserving the local male breeds of ayam kampung at the grandparent (GP) stock level is Japfa's contribution to the preservation of local biodiversity.

In Vietnam, coloured chicken is a native breed and a significant part of the local Vietnamese culture. We support the Vietnamese government's conservation efforts by breeding coloured chickens in Japfa Vietnam.

We understand the preferences of our customers due to our understanding of the local context where we operate. We want to address this need and provide affordable meat that meets local preferences.



Efficient Use of Energy and Resources

As a producer of staple animal proteins that aims to feed Emerging Asia, we are mindful of how we use energy and resources in our production system as we are cognisant of how resources are finite and efficient energy use is critical to combat climate change. Therefore, using energy and resources efficiently is an important aspect of our production system. This system includes optimising local and alternative sources, utilising cutting-edge machines and technology as well as a focus on managing water responsibly throughout our operations, enabling us to minimise our environmental impacts.

Optimising Local Sources Throughout Our Operations

[GRI 204-1]

Sourcing locally not only offers the potential to keep costs low but also aids to establish a sustainable supply chain. However, the availability of raw materials, especially those imported from abroad poses a challenge for us to continue *Feeding Emerging Asia* in light of disruption in supply chain and inflationary pressures. Long-distance transportation can leave a bigger carbon footprint and additional costs affects the affordability of our products to the masses.

We have been exploring alternative local raw materials to reduce the reliance on imported soybean meal.

In the countries we operate, additional raw materials for feed include local ingredients such as broken rice, wheat, rice bran, wheat bread and oyster shell among others. Feedstock for our biomass plants is also sourced locally, such as the rice husks, biomass briquette and wood waste that we use in Myanmar and India to power the boilers.

“Local production enables us to be more efficient because we can optimise feed production through local sourcing: lowering our carbon footprint from imported raw materials, maintaining affordability and promoting the principle of circularity because we are using by-products from other manufacturing processes.”

Proportion of local raw materials/suppliers across our operations [GRI 204-1]:



Our commitment to optimising local sources is also evident in our aquaculture operations, where we aim to produce high-quality local shrimp broodstock in our Broodstock Multiplication Centre (BMC). Through BMC, we engage strategic partners to contribute to the Indonesian shrimp industry by striving to produce best quality broodstock. With local production of shrimp broodstock, Japfa ensures easy access for local customers to high-quality shrimp broodstock.

Our support in growing the local fish broodstock in Indonesia, is also manifested through our Aquaculture Research Center (ARC), where we partner with Kindai University (Japan) and Universiti Malaysia Sabah (UMS) to research the best ways to have high-performance fish broodstock.



State-of-the-Art Systems and Machinery

Being an integrated industrialised producer, our efficient production system can unlock simultaneous environmental and financial benefits. We strive for continuous improvement by adopting modern technologies to optimize performance and keep our products affordable and accessible.



Automation of Data and Process Production

We have implemented an automation system in all poultry feed mills across Indonesia, Myanmar, Vietnam and Bangladesh by equipping our machines with Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA). With these systems, data captured can be integrated with the ERP system that has been implemented and standardised across our feed mills in Indonesia, Vietnam,

India and Myanmar. Japfa is a front-runner in the implementation of automatic live recording in our poultry breeding farms in Indonesia. The system can record day-to-day activities in the hatching and breeding farms and the information is stored in the ERP system and can automatically calculate and track cost of goods sold. Our Finance functions are also integrated into the ERP system for better accuracy.

“ With the successful implementation of ERP in 150 poultry breeding units, the predictability and scalability of the business is greatly enhanced, contributing to the sustainable business model on which our Indonesia poultry business is built on. ”

Our comprehensive automation systems boost a reliable production flow. In our Vietnam hatcheries, we use an automatic egg handling system to identify fertile eggs with accuracy and prevent wastage of fertile eggs.

To further streamline operations, the dosing of raw materials, additives and premixes and the

sewing of feed packaging are also managed via automation. We use an auger system to transport our raw materials directly from storage to the intake area. Automation is a key consideration we always think about when starting new projects so as to make our business run more efficiently and smoothly.

Enhancing Equipments for Efficiency

Our operations consistently strive for operational excellence in all production regions. These are the initiatives that we implemented this year.

Our feed mills in India constantly improve the efficiency. 2022 initiatives were:

- Installed a rotating shifter
- Installed LED lighting system complete with sensors
- Installed pellet cooler monitoring system to optimise production process based on climate conditions
- Modified our production lines into a dual line system which boosted the capacity of the pellet mill
- Aimed for more accurate weighing of our feed production

In Indonesia, our poultry breeding operations:

- Revitalised older equipment with new ones at poultry breeding operations so that our processes can run more smoothly
- Converted our galvanised materials to fibreglass and Polyvinyl Chloride (PVC), which are more durable
- Improved the dosing system to minimise feed spillage in the feedmills

In Vietnam, sustainability thinking is embedded into daily operations and capex planning:

- Reduce energy consumption by installing inverters in feed mills
- Consider energy saving features and easier maintenance when choosing new equipment, which includes converting our existing forklift into an electric-based
- Installing VFD (Variable Frequency Drive) fans in our closed-house poultry system

In our aquafeed operations, sustainability initiatives in 2022:

- Replaced older grinding machines with more efficient and energy-saving systems
- Replaced dryer systems with direct burners in the aquafeed mill plant in Purwakarta, which uses less energy

Efficient Monitoring in Raw Material Procurement

Our operations in Indonesia have devised a system called Import Material Monitoring System (IMMS) to help us in monitor the procurement of raw feed materials.



Innovation Based on Technology

For years, technology has played an important role in developing the agrifood business. At Japfa, we are dedicated to pioneering sustainable advances to increase efficiency and attain economic gains with the help of technology.



Japfa Best Sales Application

In 2022, we refined our Japfa Best Sales application which was developed specifically to manage retail data, from delivery to, customer service and promotions. This app allows us to engage with our customers directly and effectively, this is especially useful for our operations in Myanmar amid the political instability.

X-LOCATE

Our application, X-LOCATE, enables us to monitor the condition of chick-vans in real-time. Using Vehicle Tracking System (VTS), we are able to track the location, temperature, fan condition as well as the speed of our chick-vans.

Less Materials for Durable Packaging

Our Indonesia operations have succeeded in developing a new packaging that uses less material and yet is still durable enough to protect its contents. We now have smaller feed packaging to cater for different customer needs. Reducing the dimension and thickness of the sacks will reduce the amount of materials used and save costs.

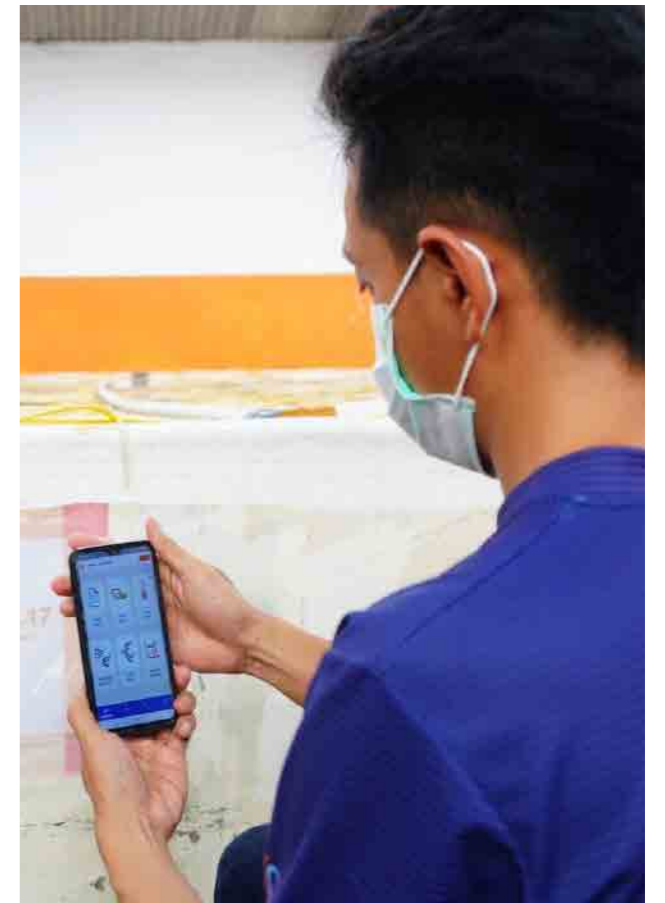
Japfa Vehicle Optimization System (J-VOS)

The Japfa Vehicle Optimization System (J-VOS) is an innovative way to optimise our distribution channel. It provides real-time data such as the route, travel time and fuel consumption, giving the insight we need to effectively plan and manage transportation resources. In 2022, we improved this application by allowing our customers to track their DOC delivery.

Implementing Industry 4.0 Technology in Aquaculture

Our aquaculture operations in Indonesia have been implementing industry 4.0 technology by developing applications to support our processes, such as:

- QC Sharp (Quality Control Shrimp Hatchery Accurate Rapid Programme)**
 We have created QC Sharp which is intended to ensure standardised aquaculture practices across the entire operations. The QC Sharp data server is entirely cloud-based to maximise effectiveness, scalability, and security.
- SM4SH (Sales and Marketing for Shrimp Hatchery)**
 We continued our innovation by designing an app called SM4SH (Sales Marketing for Shrimp Hatchery) in 2022. Through SM4SH, we eased the process for both the company and customers to monitor sales data from ordering, delivery, billing, to payment.
- STT Mobile**
 We developed an Android based application to analyse and control environmental conditions based on specific parameters such as water conditions, shrimp growth, amount of feed used and performance monitoring.



Water Circularity

[GRI 303-1, 303-2, 303-3, 303-5]

Water is a finite and shared resource vital for the survival of mankind. According to The Organisation for Economic Co-operation and Development (OECD), the agriculture industry both contributes to and faces water risks⁷. Japfa takes this matter seriously and has put in place efforts to conserve water throughout the Group's operations to mitigate water-related risks, especially in areas with water issues. [GRI 3-3]

Did You Know?

By 2050, agricultural production needs to expand by approximately 70%⁸ to meet the demands of a growing global population, making water an even more important resource to be conserved.

Our method of mitigating water risk includes conducting a cradle-to-gate LCA study that begins with our poultry operations in Indonesia. This study provides us with a comprehensive analysis of our environmental impacts. Through this exercise, we managed to identify water and wastewater as critical areas or hotspots.

During 2020, we engaged a third-party LCA consultant to perform a detailed water scarcity evaluation. The primary objective of this assessment was to identify water-stressed areas and quantify the water scarcity footprint in Japfa's operations. Based on this assessment, we selected the water-stressed areas to be the subject of our Sustainability Performance Target for the Sustainability-Linked bond (SLB) that we released in March 2021. The SLB of US\$350 million has sustainability performance targets

Four water recycling facilities (Cikupa, Subang, Lampung, and Wonoayu) has enabled us to recycle 84.7 megalitres* of wastewater by the end of 2022.



that must be completed within a period of three years and 9 months after the bond issuance. According to the second-party opinion, the targets that we established as a result of the water scarcity assessment were deemed to be "Robust".

In 2022, we built three water recycling plants (in Lampung, Wonoayu and Pematang), which have been audited by an external auditor, following the construction of two water recycling plants in the previous year (Cikupa and Subang). The water that has been recycled can serve multiple purposes such as use in cleaning and washing, heating, ventilation, and air conditioning system. We are constantly finetuning our recycling facilities so that the effiacy can be measured and achieve optimum performance.

***About our data**

1. The water recycling facility at the Pematang slaughterhouse finished the construction and was commissioned in December 2022. Hence, it is presently subjected to regular performance evaluations.
2. Please note that the water recycling facilities in Lampung and Wonoayu were only completed in May and November 2022. Hence, the measurement of water recycled across the four facilities were conducted over different periods of time.

⁷Organisation for Economic Co-operation and Development. (n.d.). *Water and agriculture*. <https://www.oecd.org/agriculture/topics/water-and-agriculture/>



The details on the updates of our recycling facilities can be found on the following link <https://japfacomfeed.co.id/id/investors/sustainability-report>

Responsible Water Usage



Rainwater Harvesting

Aside from building water recycling plants, several operations in Vietnam, India, and Indonesia have rainwater harvesting systems in place to address water scarcity. With the success of this system in many areas, the rainwater harvesting system will be replicated across many more places progressively.



Measure Water Withdrawal

We monitor the rate of groundwater withdrawal by installing a flow meter in our breeding farm in India. By installing a flow meter, we want to ensure that water is withdrawn at a sustainable rate that helps to prevent depletion of groundwater resources.



Wastewater Treatment Facilities

We treat our wastewater based on the regulatory standards before being discharged into water bodies. [GRI 303-2]



Reverse Osmosis

We implement reverse osmosis systems to provide top-notch water purification and safety standards in multiple sites. We have implemented reverse osmosis systems to improve the quality of water that is used in our facilities, such as slaughterhouse/processing where there is food contact and feedmill boilers to prevent scaling and improve efficiency.

Reusing Wastewater From Aquaculture Operations for Aquaponics

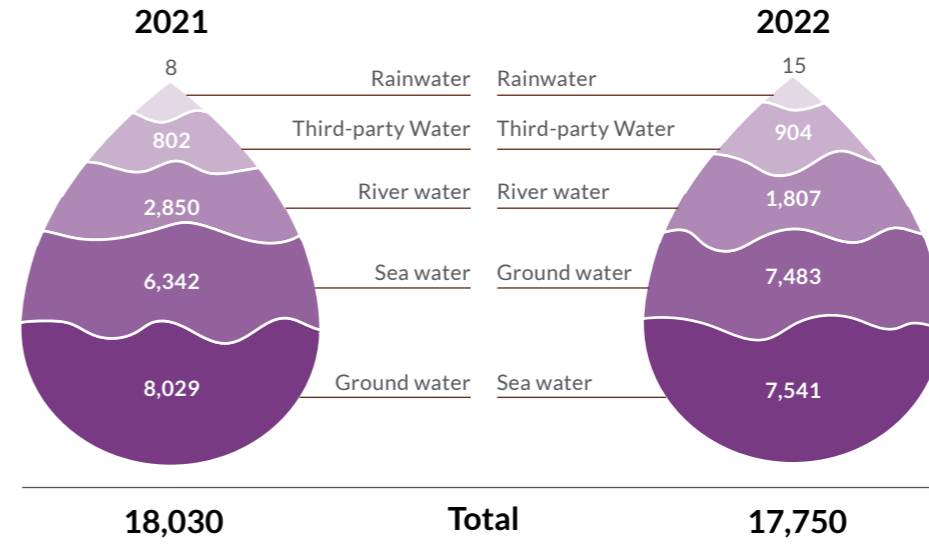
We are taking a leap forward in sustainable aquaculture wastewater management by exploring the potential of aquaponics, an innovative, eco-friendly closed-loop crop cultivation method. This innovative process combines both fish farming and soil-less plant cultivation which has plentiful benefits over more traditional methods such as hydroponics. In aquaponics, wastewater including fish waste, which is an all-natural fertiliser, is used to fertilise plants. This cycle is repeated, and the result is a more efficient use of water with less effluent discharged. This organic method requires less maintenance than traditional agriculture yet still yields good results free from pesticides or herbicides. With Japfa's pioneering approach towards sustainability, this process will help conserve water both now and into the future.

In 2022, we continued our trials and were successful in growing vegetables and fruits in the Aquaponic Research Greenhouse. We look forward to introducing these practices more widely among customers and farmers so that everyone can benefit from eco-friendly crops grown with recycled wastewater from their ponds.



In the agri-food business, water is a precious resource that needs to be managed carefully to minimise the risks. We continuously measure our water consumption throughout the operations to ensure that this resource is used efficiently and carefully.

Water Withdrawal (unit = megalitre) [GRI 303-3]



- About our data
1. Water sourced from groundwater, rainwater and third-party water are assumed to be freshwater (Total dissolved solid/TDS ≤ 1,000 mg/L)
 2. Surface water and sea-water are considered as treated non-consumable water (TDS > 1,000 mg/L)
 3. Data is collected using JSRS
 4. The data of Japfa India's water withdrawal is for production use

Water Discharge (unit = megalitre) [GRI 303-4]

Water Discharge by Quality and Destination	Amount		Destination
	2021	2022	
Total Poultry	1,973	2,055	Drainage and surface Water Bodies
Fresh water	1,868	1,986	
Other water	105	69	
Total Aquaculture	1,746	275	Sea and surface water bodies
Fresh water	1,745	274	
Other water	1	0.2	
Total Water Discharged	3,719	2,329	Drainage, sea and surface water bodies

- About our data
1. The data above excludes Japfa India
 2. Freshwater (Total dissolved solid/TDS ≤ 1,000 mg/L)
 3. Treated non-consumable water (TDS > 1,000 mg/L)
 4. Data is collected using JSRS
 5. There is a decrease in water discharge in 2022 due to capacity reduction of some aquaculture operations during the year. In two of the aquaculture units, the water is being recycled and reused for production and boiler cooling.

Total Water Consumption (unit = megalitre) [GRI 303-5]



- About our data
1. Water consumption = water withdrawal - water discharge
 2. Data is collected using JSRS
 3. The data above excludes Japfa India

Emissions and Waste Minimisation

As an environmentally-conscious company, we have put in place a comprehensive strategy to reduce our emissions and waste. We are dedicated to making sure each move is as impactful as possible and have accurate measurements to help us make informed, data-driven decisions for our operations.

Minimising Emissions

[GRI 302-1, 302-3]

Emissions and waste in agri-food businesses are important topics to consider when developing strategies and plans for sustainability. We are committed to reducing our carbon footprint through renewable energy sources, which have less of an environmentally negative impact compared to non-renewable energy sources such as fossil fuels.

To do this, our Company has implemented renewable energy solutions, such as the use of biomass across our operations in Indonesia, Vietnam, Myanmar, and India. We utilise various biomass such as rice husks, wood waste, candlenut shells and palm kernels in our feed mills and consumer food operations.

We have also taken a step of using solar panels to generate power for our head office in India and extend its use in Vietnam. We expanded the use of solar panels in Vietnam by collaborating with sustainability-minded stakeholders, where we have started converting to solar panels for three feed mills in 2022.

These efforts have enabled us to replace non-renewable energy, such as coal, with sustainable and renewable alternatives, which contribute positively to both the environment and Japfa Group's efforts to minimise emissions.



“
The biomass energy sources we use are found locally, and their usage is part of promoting economic circularity. Rice husks, for example, are by-products from the milling of paddy that are often wasted due to their abundance. However, we saw an opportunity to utilise rice husks as feedstock, which gives them a new purpose as a source of renewable energy in our production process.
 ”



In addition to shifting to cleaner energy sources, we designed an efficient distribution system to minimise emissions. For instance, Japfa Vietnam has taken a proactive step to improve efficient distribution by constructing warehouses closer to farms, while in Indonesia we constructed corn driers in the corn production. This allows suppliers to deliver raw materials, which directly benefits the distribution process effectively. Our J-VOS system that we put in place is also designed to create the most efficient route for delivery, which helps us in reducing carbon emissions and making a positive impact on the environment.

Energy Consumption within The Organisation

[GRI 302-1]
unit = GJ

Non-Renewable Energy	2021		2022	
	Percentage	Amount	Percentage	Amount
Electricity ^[1]	39.0%	1,659,588	35.9%	1,772,521
Liquified Natural Gas (LNG) ^[2]	5.7%	244,244	7.1%	351,220
Compressed Natural Gas (CNG) ^[2]	9.7%	411,541	4.9%	242,975
Liquified Petroleum Gas (LPG) ^[3]	2.6%	112,368	2.1%	105,714
Coal ^[4]	4.8%	203,972	3.2%	159,938
Diesel oil ^[5]	4.3%	183,145	4.5%	221,460
Gasoline Fuel ^[6]	0.1%	5,401	0.1%	4,777
Total	61.8%	2,820,258	57.9%	2,858,605

unit = GJ

Renewable Energy	2021		2022	
	Percentage	Amount	Percentage	Amount
Palm Kernel Shell ^[7]	26.0%	1,107,792	26.8%	1,322,909
Palm Fiber ^[8]	0.0%	0	0.0%	496
Candlenut Shell ^[9]	2.1%	89,631	1.8%	86,612
Firewood ^[10]	5.6%	240,552	12.9%	636,084
Rice Husk ^[11]	0.0%	0	0.7%	33,744
Total	33.8%	1,437,976	42.1%	2,079,846

unit = GJ

Total Energy Consumption within the Organisation	2021	2022
	Amount	Amount
Total	4,258,234	4,938,451

Note:

- [1] Conversion to MJ based on International Energy Agency, 1 kWh of electricity = 3.6 MJ
- [2] Conversion to MJ based on International Energy Agency, 1 MMBTU = 1,055.06 MJ
- [3] Conversion to MJ based on International Energy Agency, calorific value of LPG = 50.08 MJ/kg
- [4] Conversion to MJ based on International Energy Agency, calorific value of coal = 20.65 MJ/kg
- [5] Conversion to MJ based on International Energy Agency, 1 litre of diesel oil = 38.53 MJ
- [6] Conversion to MJ based on International Energy Agency, 1 litre of gasoline = 34.89 MJ
- [7] Conversion to MJ standard methodology based on suppliers data, calorific value of palm kernel shell = 17.22 MJ/kg
- [8] Conversion to MJ standard methodology based on suppliers data, calorific value of palm fibre = 11.34 MJ/kg
- [9] Conversion to MJ standard methodology based on research of Efendi et al; calorific value of candlenut shell = 25.46 MJ/kg
- [10] Conversion to MJ standard methodology based on World Agroforestry Centre; calorific value of firewood = 19.61 MJ/kg
- [11] Conversion to MJ based on IRRI, caloric value of rice husks = 15.06 MJ/kg

Innovative Waste Management

[GRI 306-1, 306-2]

Understanding our impacts as an animal protein producer is as important as providing safe, affordable and nutritious proteins for Emerging Asia. We innovative ways to manage the waste from our activities, such as manure or ashes from production. Through our efforts, we strive to reduce our impact on the environment while bringing positive impacts to our communities. [GRI 3-3]



Waste Incinerator, Japfa India

Improving Soil with Biomass Ash

The residue from our biomass briquette burning contains plant material and minerals, which can be beneficial for the soil. In India, we collect our ash from the briquette burning with a mechanical dust collector from the chimney in broiler farms for landfilling. This method mixes the ash—which contains no hazardous content—with the soil directly. This will improve the soil condition from the rich nutrients contained in the ashes while also minimising air pollution.

From Manure to Fertiliser

The manure from our farms can be recycled and reused to benefit the environment. Manure contains many nutrients, such as nitrogen, potassium and phosphorus, that can be utilised to improve soil health. In India, we send our manure to licensed third parties to be processed into fertiliser.



Recycling and Handling Our Bag Waste

Polypropylene (PP) bags are widely used for various products and are known for their adaptability to be recycled. In India, we partner with a vendor to recycle our PP bags into granule plastic which will be used as material for other goods. Meanwhile, in Indonesia, we constructed a dedicated area for recycling in our production of woven bags, enabling us to conduct better and cleaner handling. Through these efforts, we are able to optimise our recycling process of bag waste and increase circularity.



Partnering in Managing Waste Innovatively

Working in partnership with Universitas Gadjah Mada (UGM) under the Kedaireka Matching Fund, we are exploring innovative ways to manage poultry waste in Indonesia. We plan to do this by harnessing the power of black soldier fly (BSF) maggots as a waste bioconversion agent. These nutrient-rich larvae could be transformed into value-added products such as protein meal and oil which are intended for use as animal feed. This programme addresses poultry waste management challenges and offers potential affordable solutions around long-term protein production needs too. Besides that, our efforts to minimise waste sent to landfills is strengthened by turning eggshell waste into feed for catfish.



Zero Wastage in Production

Japfa is dedicated to zero wastage approach in its production system as we strive to be a more efficient and responsible company. In Indonesia, our optimisation of tilapia production process allows us to wholly utilise the fish, both for meat or fish fillets, as well as for by products such as head, belly meat, skin and scales. Fish head is one of the most favourite local delicacies while belly meat is exported to Taiwan to be made into a Taiwanese delicacy known as belly *kabayaki*. Fish skin and fish scales are used as the raw material for collagen and gelatine production. The former is also made into fish chips by local businesses that we support. Fish frame and intestine are used as raw material for fish oil and fish meal production, while trimming meat can be processed into value added products such as meat ball, and fish nuggets among others.



Measuring Waste, Emissions and Effluent

[GRI 303-4, 305-1, 305-2, 305-3, 306-3, 306-4, 306-5]


While there are many ways to reduce emissions and waste within the agri-food industry, it is important to measure our waste, emissions, and effluent to ensure that our efforts to minimise them are effective, comprehensive and practical. Across our operations, we install gauges to measure our waste or effluent, which is in accordance with the regulations in the countries where we operate. For example, we have put in place a monitoring system that supports our operations, such as a meter measure for our feed mills in Vietnam to monitor our energy usage. In Japfa India's feed mills, we installed a temperature monitoring system at our pellet cooler which allows us to adjust the product moisture to

optimise the production process based on climate conditions, as well as tools to monitor our other machines, such as reclining, grinding, and hammer mills.

These data are mostly collected in our in-house system, Japfa Sustainability Reporting System (JSRS), which captures environmental and social data. Other than that, we have also developed a platform to analyse environmental and social data. By embracing technology in our production system, we can closely monitor our impacts on the environment and determine an appropriate way to address them.

Greenhouse Gases (GHG) Emissions

[GRI 305-1, 305-2, 305-3] [TCFD-Metrics-b]

	2021	2022
 Scope 1 GHG Emissions (Direct)	80,060	75,998
Scope 2 GHG Emissions (Energy Indirect)	454,236	553,827
Scope 3 GHG Emissions (Other Indirect)	10,825,139 ^[4]	16,821,995 ^[5]
unit = Ton CO ₂ e		
Number of operational units	302	291

About our data

- [1] Emission calculation uses SimaPro and the emission factors based on IPCC 100a method.
- [2] Scope 1: is based on the energy consumption (excluding electricity) within the operational units in Indonesia, Vietnam, Myanmar and India covering poultry and aquaculture operations. This calculation does not include non-operational offices and swine operations.
- [3] Scope 2: is based on the electricity consumption (sourced from electricity providers) within the operational units in Indonesia, Vietnam, Myanmar and India, covering poultry and aquaculture operations. This calculation does not include non-operational offices and swine operations.
- [4] Scope 3: In 2021, our poultry life cycle assessment covered a sample of 27 units in Indonesia and the results were extrapolated to come up with an approximate Scope 3 GHG emission number for poultry operations across the Japfa Group, as shown above. This calculation does not include non-operational offices, aquaculture and swine operations. The data included in the estimation is the production and transportation of raw materials, supporting materials and energy (excluded energy indirect - Scope 2). The calculation did not include waste utilisation, consumer products, business travel and employee commuting and downstream emissions. Business travel and employee commuting are excluded due to the movement restrictions during the Covid-19 pandemic.
- [5] Scope 3: In 2022, our poultry life cycle assessment is more comprehensive as it was expanded to cover more than 75% of operational units in Indonesia, Vietnam, Myanmar and India. This explains the increase in the GHG emissions compared to last year. This calculation does not include non-operational offices, aquaculture and swine operations. Estimation of the poultry operational activities based on data collected from JSRS and data collected from Indonesia's poultry life cycle assessment. In 2022, the model was improved that included changes to the use of a more appropriate allocation database. The data included in the calculation are the production and transportation of raw materials, supporting materials, and energy (excluding indirect energy - Scope 2), as well as waste processing. The calculation does not include consumer products, business travel, employee transportation to/from the office, and downstream emissions from consumer food processing. We will continue to improve the data we have to provide a calculation that represents the entire business.
- [6] Emission intensity has not been calculated at the point of publishing this report. We are evaluating the most appropriate methodology to represent the variety of our products, ranging from feed to consumer products.

Non-Hazardous Waste Utilisation and Hazardous Waste Management

Japfa's activities mostly generate organic waste that can be reused by the local community. We currently sent all the hazardous waste to licensed or registered third parties. [GRI 306-2]

To promote economic circularity, Japfa strives to gather accurate and reliable information on waste utilisation within the company's operations and its traceability at the third parties. We aim to enhance the accuracy of data recording to enable better measurement and we recognise that there is room for improvement related to the third-party utilisation (traceability) of waste.

[GRI 306-3, 306-4, 306-5]

Treatment Methods for Non-Hazardous Waste (unit = ton)	2021	2022
Diverted from disposal		
Reused	2,896	3,394
Recycled	6	416
Composting	451	256
Distributed to third-party	84,891	104,344
Total	88,244	108,410
Directed to disposal		
Incinerated	26,343	15,649
Landfill	8,132	4,412
Total	34,475	20,061
Total Non-hazardous Waste Generated	122,719	128,471
Management of Hazardous Waste (unit = ton)		
Distributed to licensed third-party, including temporary storage before being transported	2,865	2,367
Total Hazardous Waste and Non-Hazardous Waste (unit = ton)		
	2021	2022
	125,584	130,838

Note:

There is a restatement on 2021 hazardous and non hazardous waste data and change of grouping on the utilisation of waste. The previously reported external utilisation is now grouped into Distributed to third party.

Japfa recognises that sustainability efforts must have the support of dedicated employees who have a comprehensive understanding of the environment. Various training programmes are conducted to equip our employees with knowledge on environmental management.

In 2022, Japfa Tbk provided the following training programmes, among others:

- **35 employees** enrolled in hazardous waste management training
- **28 employees** enrolled in air pollution control training
- **39 employees** enrolled in wastewater management training

05 PEOPLE DEVELOPMENT

When we talk about sustainability, our people including employees, farmers and communities are essential to our vision of *Growing Towards Mutual Prosperity*. In tandem with the Group's growth, it is important that we create a positive and conducive environment, where our people can fully develop their potential, feel valued and grow alongside with the Group. That is the true meaning of mutual prosperity.



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Japfa adopts an inclusive culture towards its people. We embrace and nurture our employees to cultivate future leaders that will lead the company into a sustainable future and **Feed Emerging Asia** with safe, affordable, and nutritious proteins.

Indeed, our business cannot move forward without the strong support from our farmers, whose number in the tens of thousands. Working together, we help to develop and maximise the farmers capabilities, operational efficiency, with technical knowledge and good agricultural practice, which in turn will improve their livelihood. In line with our vision, we want to bring positive impacts and grow alongside the communities where we produce locally for local consumption in the countries where we operate.

Japfa Sustainability is not only about the environment, it is also about the people and how together we can create a meaningful impact in everything that we do. Through this, we can continue **Growing Towards Mutual Prosperity**.

Our Approach



Employees

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Farmers

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Communities

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Employees

Being a significant agri-food company in emerging Asia, we are dedicated to **Feeding Emerging Asia** with safe and affordable proteins by investing in our people, which includes our employees. As our employees are at the heart of our operations, they require training, fair treatment within a safe and healthy workplace and be supported by technology and digitalisation. We practise fair employment and engage our employees to keep them motivated despite various challenges.



Good leaders at Japfa play an essential role in rallying our employees to overcome many challenges in 2022.

Engaging and Developing Our Employees

[GRI 404-1, 404-2]

A healthy, productive and successful work environment contributes to business success and the achievement of company goals. Therefore, we continue to engage and develop our employees.

Continuous Development for Our Employees

[GRI 404-1, 404-2]

Training is part of people development. Training provides employees with the knowledge, skills and abilities needed to perform their job well. It also helps them to stay up-to-date with the latest technology and industry trends. Providing employees with ongoing training opportunities can help create a culture of learning.

In different countries where we operate, we identify the performance of our employees and conduct training programmes to suit their needs [GRI 404-2]. Throughout the Group, our training programmes are held under the values of DOLPHIN.



DOLPHIN

- Drive 
- Organizational Thinking 
- Leadership 
- Professionalism 
- Honesty 
- Innovative 
- Nurturing 

Indonesia

We hold regular training programmes which are categorised as follows:

- **Corporate Development**
Consists of Development and Orientation Training. The Development training covers the Middle Management Programme (MMP), Foundation Programme (FP) and Senior Management Programme (SMP), while the Orientation Training covers induction and the DOLPHIN Values. Although the FP and SMP training sessions were not carried out in 2022, the Company held a hybrid training session through online self-learning and offline learning with facilitators at JTLC to continue training.
- **Business Skills**
Consists of trainings on communication, leadership, self-development and team work as well as QSE (Quality, Safety, Environment) and vocational training (e.g. pest control and farm management)
- **Conference**
Consists of pre-pension training for employees who are preparing for retirement

We support our employees in pursuing higher education to improve their knowledge and capabilities by providing scholarships to several Japfa employees, such as employees. An example is the management trainee programme in our aquaculture operations (STP), whereby 3 of our employees were sent for further studies in Japan's Kindai University. At our poultry operations, there are also similar management trainee programmes and in 2022 we had 23 trainees who were trained on important skills for their upgrade to production supervisors at PS farms.

“
At the Ciomas Commercial Production Academy, we provided training programmes to our employees working on poultry farms, aimed at honing their skills in commercial poultry farming.
”

Vietnam

We organised a Sales Effectiveness Project training on Feed Sales, Customer Segmentation and Insight Selling for the Sales Team. Believing that learning is a continuous process, we provided motivation skills training for middle management.

We collaborated with 20 lecturers from Can Tho University, sharing experiences and knowledge in the animal husbandry and veterinary industry. Our cooperation with the university will be further enhanced as we develop training programmes and human resources, supporting career counselling, exchanging knowledge and implementing research.

India

In India, regular training programmes are held for relevant departments, such as the HR management and the Sales teams. We also trained our employees on KPI setting, leadership and behavioural interview skills.

Myanmar

We conducted various online training to enhance employees' skills, such as:

- Effective Presentation
- Work Ethics
- Conflict Management
- Coaching for Performance
- Gemba Kaizen (Continuous Improvement)
- Awareness Raising on DOLPHIN values

Japfa The Learning Center (JTLC) at a Glance



Putting the development of our employees as the key to success, we established Japfa The Learning Center (JTLC) in Indonesia. JTLC is a centre for development and training for all of our employees. In 2022, several training programmes were held in JTLC, and we have designed a routine training module that will be conducted regularly for employees in the centre. [GRI 404-2] Moreover, our research and development for future projects will also reside in JTLC.

Apart from training and development, other aspects such as recreation and networking were also part of the consideration when establishing this facility in order to give our employees a holistic experience. JTLC offers several completed facilities including:

- 10 training rooms with the capacity to accommodate 400 people
- Latest equipment and technology to conduct in-person and hybrid training
- Two dormitories that can house a total of 343 people
- Swimming pool

“ JTLC is a special place for employees to meet, bond, train and share knowledge. ”

The following facilities are currently undergoing construction:

- Auditorium
- Indoor amphitheatre
- Ballroom
- Sports hall
- Cafeteria
- Restaurant
- Prayer sites

Average Hours of Training Per Year Per Employee

[GRI 404-1]

	Employees Category	Middle Management and Above	Operator & Junior Management
2021	Male	4.9	2.9
	Female	7.9	4.4
	Total Average	5.45	3.14
	Total Training	9,349	119,945
2022	Male	12.7	2.2
	Female	15.9	4.3
	Total Average	13.3	2.6
	Total Training	22,165	95,376

Upholding Occupational Health and Safety

[GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 408-1, 409-1]

Occupational Health and Safety (OHS) Management System

Recognising that people are at the heart of our activities, we ensure that Japfa is a safe and conducive work environment by adopting a comprehensive Occupational Health and Safety Management System. In different parts of Asia where Japfa operates, we adopt different approaches to achieve the same goal of ensuring our employees' health and safety. [GRI 3-3]

For example, we implemented ISO 450001:2018 for Hazard Identification, Risk Assessment & Determining Control (HIRADC) for our operations in PT Japfa Tbk and adopted Hazard and Operability Study (HAZOP) in Vietnam [GRI 403-2].

We comply with the national standards of each country and global standards to identify the risks at the workplace and develop OHS Management System that suit each country's requirements [GRI 403-1].

To ensure that the safety standards are implemented accordingly, we established OHS Committees in Indonesia, Vietnam, India and Myanmar which involves our employees. They actively contributed to the implementation of OHS Management System. [GRI 403-7]

Occupational Health and Safety Training Programmes and Campaigns

[GRI 403-5]

Part of mitigating the health and safety risks at the workplace is through increasing awareness and knowledge. As such, we conduct various OHS training throughout the Group to keep our employees informed. In 2022, we managed to hold the following OHS training programmes:

- Continuous Technical Training on ISO and HACCP in India
- 5S Training, for example in Indonesia and India
- First Aid Kits Demonstration in India
- Fire Extinguishers Usage Demonstration in India
- Healthcare Training in Vietnam
- Safety Driving Training for Company Drivers in Vietnam and Indonesia
- COVID-19 Prevention Campaign in Vietnam
- Health and Safety Certification Training in Vietnam
- Workplace Safety Training in Myanmar

We strive to always maintain workplace safety for our employees, but we are aware that accidents may still happen. When such incidents occur, we take immediate action to remediate the situation and investigate the root cause to prevent reoccurrence. Health clinics are available in several of our business units. We also facilitate access to health centers if our employees require treatments.

our Supplier Code of Conduct, suppliers should prioritise the health and safety of their employees by providing a safe and secure work environment. We also conduct annual surveys to further engage them on sustainability practices, which also include how they manage occupational health and safety in their operations.

Our policy of maintaining health and safety also extends to our business partners. As listed in

We are pleased to inform that there was no fatal injuries at the workplace in 2022.

Work-related Injury Data

[GRI 403-9]

Type of Injury		Fatal	Heavy	Moderate	Light	Total	Total Work Hours
2021							
PT Japfa Tbk	Number	2	2	181	22	207	67,823,767
	Rate (AFR)	0.03	0.03	2.67	0.32	3.05	
Japfa Myanmar	Number	0	0	0	0	0.0	2,689,282
	Rate (AFR)	0.0	0.0	0.0	0.0	0.0	
Japfa Vietnam	Number	0	0	0	0	0.0	5,040,945
	Rate (AFR)	0.0	0.0	0.0	0.0	0.0	
Japfa India	Number	0	1	0	0	1	1,234,464
	Rate (AFR)	0.0	0.81	0.0	0.0	0.81	
2022							
PT Japfa Tbk	Number	0	2	127	33	162	61,780,217
	Rate (AFR)	0.0	0.03	2.06	0.53	2.62	
Japfa Myanmar	Number	0	1	0	0	1	1,898,069
	Rate (AFR)	0.0	0.53	0.0	0.0	0.53	
Japfa Vietnam	Number	0	0	0	0	0.0	5,030,150
	Rate (AFR)	0.0	0.0	0.0	0.0	0.0	
Japfa India	Number	0	0	0	0	0	813,310
	Rate (AFR)	0.0	0.0	0.0	0.0	0.0	

About our data

- Injury rate is measured based on 1,000,000 working hours
- Unsafe acts were the primary cause of work-related injuries in 2022. We consistently conduct evaluation to prevent their recurrence and encourage our employees to prioritise health and safety while complying with the Company's OHS policy and provided OHS training. [GRI 403-7]

Supporting Employee Wellness

[GRI 403-6]

Japfa puts the health and safety of our employees as the top priority through various means. We encourage our employees to maintain a healthy lifestyle and foster good sportsmanship by holding various sports events across the group. We conduct sport competitions for our employees, such as chess, football, basketball, badminton, volleyball, cricket and traditional sports, even holding a dedicated Sports Festival in Vietnam.

India

- Healthcare access through mobile app to get health consultation [GRI 401-2]
- Health checkup camps, including dental and overall wellness checks [GRI 403-6]
- Mental health programme through online meditation and yoga where hundreds of employees participated

Myanmar

The safety of our employees are now more important than ever as they are faced with the effects of political instability. We aim to create a comfortable and safe working environment to motivate them during difficult times. Headed by good leaders, we ensure that our employees are safe:

- Reduce the working hours and facilitate transportation services for their commute to/from work [GRI 401-2]
- Monitor the movement of the employees visiting the farms
- Synergise and maintain close communication with the local authority

Recovering Together from COVID-19

In 2022, the COVID-19 pandemic albeit at the tail end continued to record new cases. As such, we continue our care for employees as they recover from COVID-19. We also follow the government regulations and advisories in each country. For example, we put up banners and posters of COVID-19 protocols as a reminder to our employees.

Seeing how vaccination is a crucial step to protect against COVID-19, we provided offered sufficient doses to cover all employees including contract workers, up to their second or third dose as necessary. As part of our commitment to minimise the spread of the virus in 2022, we conducted monthly meetings to monitor cases. In India, our support also extended to the employees' families through mobile apps. We provided our employees and their immediate families, such as spouses, children and parents, with free teleconsultation.

Exercising Fairness, Inclusivity and Diversity Throughout The Group

[GRI 401-1, 401-2, 405-1, 408-1, 409-1]

Establishing a fair, inclusive and diverse workplace has always been our commitment at Japfa in our operations across Emerging Asia. By creating a fair and inclusive environment that embraces diversity, we will be able to hire the best of the best to lead the group.

We embrace them by providing fair remuneration, benefits and training regardless of their background, including those with disabilities. Under our Japfa Diversity Policy, we always uphold equality irrespective of gender, age, religion and other characteristics in our company. In the onboarding process, we focus on employees' capabilities, skills and performance and support their career path. [GRI 3-3]

Benefit for Japfa employees

[GRI 401-2]

All Grade Employees Category		Life Insurance	Healthcare	Disability and Invalidity Coverage	Parental Leave	Retirement Provision	Transportation
PT Japfa Tbk	Permanent	✓	✓	✓	✓	✓	✓
	Contract	✓	✓	✓	✓		✓
Japfa Vietnam	Permanent	✓	✓	✓	✓		✓
	Contract	✓	✓	✓	✓		✓
Japfa Myanmar	Permanent		✓		✓		✓
	Contract				✓		✓
Japfa India	Permanent	✓	✓	✓	✓	✓	✓
	Contract	✓	✓	✓	only maternity		

Note: Contract worker is defined as non-permanent labour such as temporary, outsourced, daily rated workers.

Employee Turnover

[GRI 401-1]

Age Group		Age < 30	Age 30-50	Age > 50	Total
2021	Recruited	3,813	2,973	187	6,973
	Hire Rate	10.2%	7.9%	0.5%	18.6%
	Turnover	1,986	2,125	511	4,622
	Turnover Rate	5.3%	5.7%	1.4%	12.3%
	Total Head Count	12,678	21,759	3,072	37,509
2022	Recruited	4,096	2,333	96	6,525
	Hire Rate	10.6%	6.1%	0.3%	17.0%
	Turnover	2,542	2,422	502	5,466
	Turnover Rate	6.6%	6.3%	1.3%	14.2%
	Total Head Count	12,637	22,582	3,286	38,505

Gender		Male	Female	Total
2021	Recruited	5,925	1,048	6,973
	Hire Rate	15.8%	2.8%	18.6%
	Turnover	3,463	1,159	4,622
	Turnover Rate	9.2%	3.1%	12.3%
	Total Head Count	31,131	6,378	37,509
2022	Recruited	5,137	1,388	6,525
	Hire Rate	13.3%	3.6%	16.9%
	Turnover	3,916	1,550	5,466
	Turnover Rate	10.2%	4.0%	14.2%
	Total Head Count	31,873	6,632	38,505

Region	INDONESIA	VIETNAM	MYANMAR	INDIA	SINGAPORE	TOTAL	
2021	Recruited	5,134	1,662	51	118	8	6,973
	Hire Rate	13.7%	4.4%	0.1%	0.3%	0.02%	18.6%
	Turnover	2,348	1,925	201	147	1	4,622
	Turnover Rate	6.3%	5.1%	0.5%	0.4%	0.00%	12.3%
	Total Head Count	30,520	5,252	1,064	620	53	37,509
2022	Recruited	4,076	2,301	27	113	8	6,525
	Hire Rate	10.6%	5.9%	0.1%	0.3%	0.02%	16.9%
	Turnover	2,173	2,878	306	102	7	5,466
	Turnover Rate	5.6%	7.5%	0.8%	0.3%	0.02%	14.2%
	Total Head Count	30,956	6,045	787	663	54	38,505

“ In compliance with the applicable laws and regulations in the countries where we operate in, we do not condone child labour, forced labour nor commit any breaches of human rights. ”

[GRI 2-23, 408-1, 409-1]

At Japfa, we believe in creating an inclusive workplace that celebrates diversity. As a company which operates in multicultural countries, we understand the significance of fostering an environment where every employee feels valued and accepted. We prioritise skills and capabilities over gender and do not impose any gender-based requirements in our recruitment process, ensuring equal opportunity for all. We strive to maintain fairness in all aspects of our operations and firmly believe in treating everyone with equitably..

“ We respect our employees' right to freedom of association and do not impede their involvement in any lawful labour organisations. ” [GRI 2-30]



Indonesia

We take into account an employee's performance, experience, and job requirements, regardless of factors such as gender, race, ethnicity, or religious beliefs. At Japfa Tbk, we are pleased to share that our remuneration exceeds the provincial minimum wage average for entry-level positions.



Vietnam

As we grow our operations in Vietnam, we want the local community to grow in tandem with us. We recruit our employees from the local community and invest in them.

Japfa's extensive presence across multiple countries in Emerging Asia provides us with a unique advantage to foster unity among people from different nationalities and ethnicities. Our strong commitment to promoting cross-cultural understanding is shown in initiatives like our intercultural exchange program, which is organized by our People Development department in Vietnam. As our experts in Vietnam come from various background, this program helps our employees gain a deeper understanding and appreciation of different cultures, enhancing our workplace culture and creating a harmonious working environment. At Japfa, we believe that embracing diversity and inclusivity is key to our success in Emerging Asia.



Myanmar

Our operations in Myanmar continued to face uncertainties amid the political instability in the country. Against this backdrop, we have maintained close communications with our employees, keeping them apprised of the situation.

Due to external factors that are beyond our control, we regret to have temporarily suspended the contracts for some of our employees pending a

return to normalcy in the country. To support these contract employees, we continue to pay them a portion of their salaries.

This situation served as a learning opportunity for us that shows people's resiliency and agility and the importance of strong leadership that unites us in the face of adversity.

India

At Japfa India, we are dedicated to establishing a safe, equal and diverse working environment for all our employees. Starting from the onboarding process, we exercise a non-discriminative process to ensure everyone is treated equally and fairly. We use psychometric assessment to build team profiles that enable us to recruit the most suitable person for the job, ensuring that we prioritise capabilities and skills.

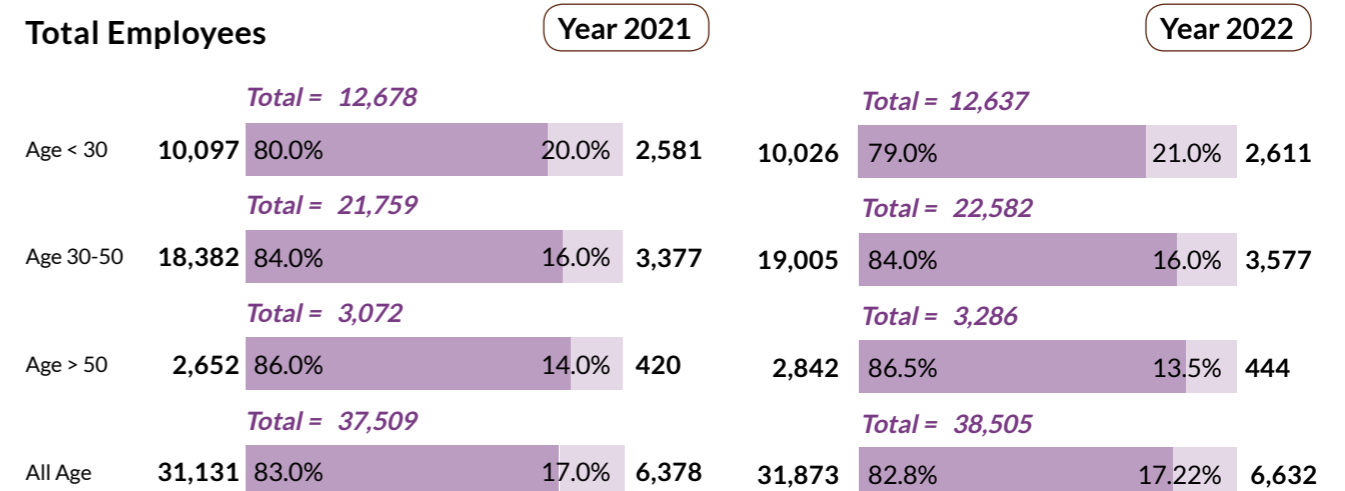
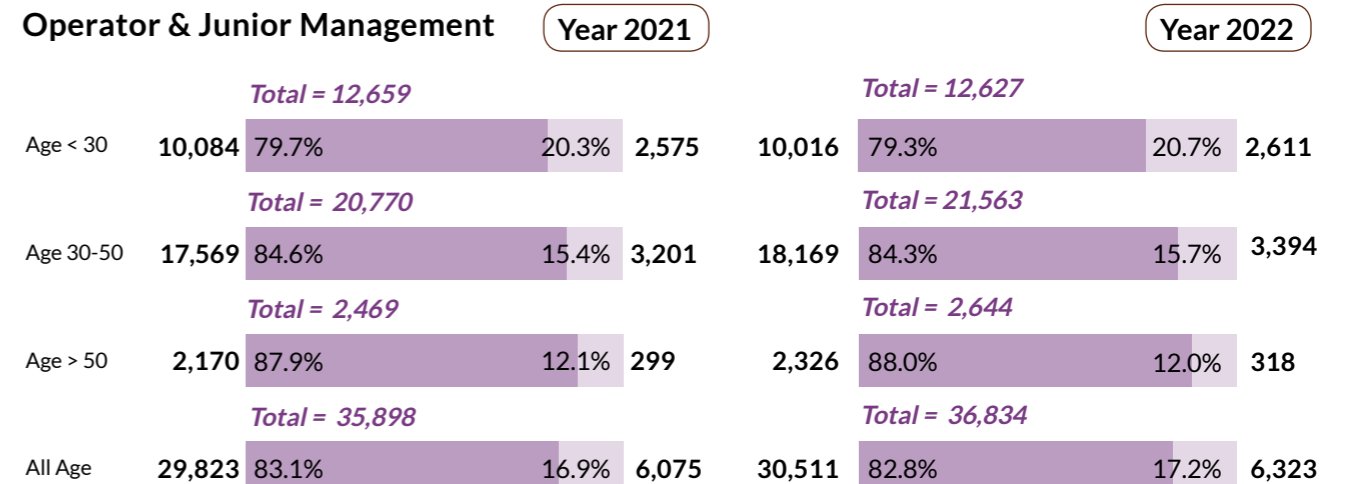
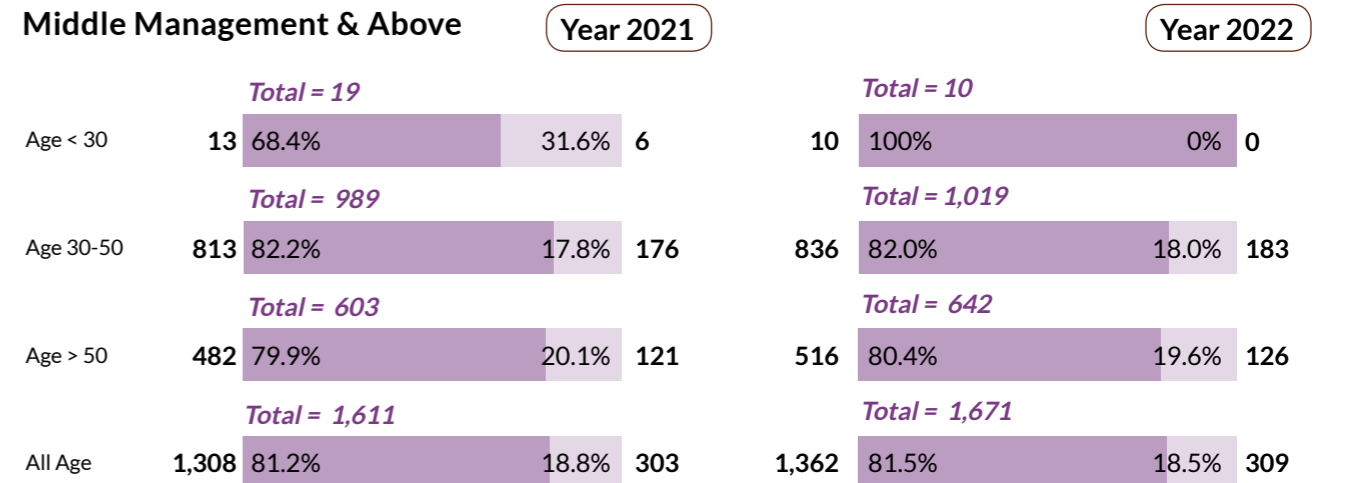
We also support women who want to pursue their careers with us by creating a safe environment at work for them. We have in place a policy on the prevention of sexual harassment (POSH) for women and we collaborate with certified lawyers to conduct POSH training for committee members.

Agriculture is typically a more male-centric industry, especially in senior positions. We are proud that two of our feed mills in India are lead by women leaders.

“ People with disabilities also deserve equal opportunities in employment, and we embrace the diversity of our talents by having them grow with us. In 2022, there are more than 40 employees with disabilities working at Japfa Group. [GRI 405-1] ”

Age and Gender Diversity

[GRI 405-1]





Bonding with Our Employees
 Across the group, there are many activities organised for employee engagement. In Vietnam, we throw company-wide celebrations, such as Japfa Vietnam’s Birthday and Year End Party. To ignite the spirit of teamwork, we also organised team building activities to create cohesivity and bonding with all employees. We also hold “Beautiful Japfa” Photo Competition as a way to support the creativity of employees. In India, we supported their creativity and well-being by holding ‘Creative Friday’ at the end of each week.

To promote better engagement with employees, communication channels such as Japfa convention, Division Conversation, townhalls, general assembly meetings, employee conferences and communication forums, are conducted on regular basis.

Through these channels of communication, we can discuss business activities and listen to recommendations from employees, aligning our direction with them. Open communication with employees also helps to build team resilience and ensure mutual care for one another, as what evident in Myanmar.

On top of that, we publish newsletters in Indonesia, Vietnam and India to boost morale and keep employees connected. In our newsletters, we not only communicate company activities but also give recognition to employees.

The newsletters also allow us to convey our appreciation to employees who have achieved outstanding performance and send birthday wishes to our employees. Incentives for good performance are also given as a form of motivation.

In Indonesia, we provide internal corporate updates through Berkas Magazine, a periodical publication that comes out every two months. On these platforms, we disseminate corporate news, best practices, and success stories from Japfa Tbk's various units and divisions to all our employees.

The magazine and newsletters can also be accessed via Japfa Link, a channel to communicate and share information to employees throughout the Group. Through Japfa Link, employees are kept abreast of the latest developments across the Group.

Japfa's Employee Cooperative is a platform created by Japfa's employees to improve their collective welfare, particularly in the economic aspect. The cooperative operates based on regulations and fosters a democratic and economic environment that promotes togetherness among its members. The activities include savings and loans, as well as the provision of minimarkets and health facilities, among others.



“ In 2022, our employee engagement survey scored 85% ”



Embracing Digitalisation in Human Resources Management

As we strive to be more efficient and sustainable, our human resource management has embraced digitalisation to take care of more than 38,000 employees. By doing so, we aim to establish a data-driven management system that will make the process more efficient, accurate and smooth.

At Japfa, we have developed and utilised our in-house sustainability data integration system known as the Japfa Sustainability Reporting System (JSRS) to manage the human resource and environmental data.

With JSRS, the data collection process is made more timely, accurate and transparent, which facilitates decision-making. There are comprehensive guidelines set up and regular trainings (including refresher courses) conducted for personnel involved in the data collection/verification process to ensure data integrity.

Our Other Digital Solutions

- In 2022, our subsidiary PT Japfa Tbk in Indonesia launched Japfa Electronic Travel System (JETS) to digitalise the process related to business travel
- PT Japfa Tbk also launched the Japfa Time Integrated System (JTIS) to help employees track their working hours accurately
- In India, a digital application is used to facilitate collaboration, learning, and effective employee management for efficient data monitoring which help to streamline human resource management
- In Myanmar, we have a mobile application to handle administrative tasks

Farmers

[GRI 413-1]

To produce a sustainable supply of nutritious proteins, we invest in our farmers as they play a vital role in our animal protein production. By providing technical expertise and knowledge-sharing on poultry and aquaculture production, we help farmers contribute to local production. By providing technical expertise and knowledge-sharing on poultry and aquaculture production, we help local farmers improve their operational efficiencies and contribute to food security in each country. Through the partnership with our farmers, we aim to equip them with skills and knowledge that will improve their livelihoods, a win-win position for mutual success.

Partnering for Mutual Prosperity

Japfa's commercial poultry division works in partnership with contract farmers through a contract farming partnership programme. We have successfully run this programme with approximately 10,000 farmers across emerging Asia. Contract farmers are important partners in the journey to realise our vision of *Growing Towards Mutual Prosperity*, where we each play a role to support each countries' drive towards self-sufficiency in food supply. While specific details of the partnership may differ from country to country, the partnership essentially provides them with day-old-chicks, feed, vaccines and

medication, and technical assistance as well as knowledge-sharing to improve their capabilities.

We also have a special collaboration initiative called Kawasan Vannamei STP (abbreviated as KAVAS) for small-scale, conventional shrimp farmers in Indonesia. Whereby the farmers offer the ponds and labour, we provide shrimp fries, feed and technical guidance on appropriate aquaculture operations and technological applications. A total of 124 shrimp farmers participated in this programme.



Providing Technical Assistance

Farmers, regardless of scale, play an essential role towards food security in their countries. Smaller-scale farmers often face challenges in standardising operations to meet exemplary hygiene and performance standards. For new contract farmers in Indonesia, we help them set up farms and invite them to our company-owned farms to learn more about our modernised farming and livestock production. [GRI 413-1]

When issues related to poultry health or farm management arise, the contract farmers receive assistance from our experienced technical service teams, and they can directly consult our teams find solutions for their issues. In Japfa India, meetings are scheduled regularly, and surveys are conducted to learn more about critical challenges so that we can better support our farmers. Videos are also made available so that contract farmers have easy access to the information that they require for problem solving. With the help of technology, we can quickly address the needs of farmers and keep in touch with them through video calls or other messaging platforms.

We also understand that farmers might face limitations to access capital. We support our farmers with recommendation letters from Japfa and introduce them to banks for funding.

In working together with the farmers, we ensure transparency in the communication. Any

complaints received are handled in a timely and appropriate manner. For example, all contracts must adhere to our approved standards and guidelines before they can be concluded and there are check and balance mechanisms in place to govern over contract signing.

Japfa Vietnam supported a number of farms in need and set up a hotline to provide timely assistance and solve problems quickly and efficiently for farmers. To ensure that the farmers receive the correct information and knowledge they need, we organised an internal training session for our employees to better support the farmers.

Our knowledgeable aquaculture experts also offer farmers technical support apart from sharing methods for cultivating shrimp and fish. For instance, by outlining the proper ways to handle fries, sharing success stories, and offering services specific to the needs of the farmers, our tagline is to be a "Total Solutions Provider" for our aquaculture customers.

With our Aquaculture Technical Development team, we impart knowledge on new technology to our farmers to upgrade their operations, for example we teach them to create UV sterilisers to avoid negative disinfection responses and help to develop sanitisation programmes.

Improving Through Training

At Japfa, our people grow with us. We are committed to share knowledge with our farmers in order to improve their skills. Our training programmes cover a variety of topics, such as seasonal farming management, disease management, animal welfare training and more. We have various initiatives in the countries we operate, each tailored to meet the specific needs of local farmers, though the overarching theme is skill improvement.

In India, Japfa Neeti is a training programme that aims to share farming strategies with Indian farmers. Meanwhile, in Vietnam, we offer training programmes that include animal welfare training as such a workshop that focuses on the breeding process and biosecurity for coloured chickens.

Overall, Japfa's training programmes for farmers are designed to help our farmers improve their skills and operational efficiency. By supporting the skill development of our people, we are able to grow together towards Japfa's success and to give the farmers a better livelihood.

Listening to Stories from the Field



I have partnered with Japfa since 2014. Through this partnership, my income has increased and I was assisted with referrals to finance the expansion of my barn. The capacity of my barn has increased almost five times and it is now able to house 62,000 chickens compared to 13,000 chickens previously.

My confidence in running this business has also increased because Japfa is always ready to help me through regular assistance and also providing technology-based solutions to improve my farm's performance. They are very hands-on in assisting me whenever I encountered any problems. At the same time, they are also willing to listen to my feedback. In addition, Japfa also conducts training and workshops so that contract farmers can exchange ideas and share experiences.

Japfa also advocates waste recycling. For example, manure can be utilised by the surrounding communities as fertiliser, and empty feed sacks can be used to wrap rice husk waste and manure. If I face difficulties in handling farm waste, Japfa refers me to parties who can utilise the waste.

H. Sholihin, a contract farmer in Indonesia

“ **Rabo Foundation partnered with Edu Farmers Foundation in the Bertani untuk Negeri programme. Bertani untuk Negeri has been impactful as an education and training programme for smallholder farmers and university students in the farming of broilers, layers and corn. In 2022, the programme provided assistance to 1,321 farmers and 504 aspiring young farmers.** ”



I previously worked in the insurance sector, then switched career paths to try out various businesses. However, my business did not last long due to the impact caused by the COVID-19 pandemic. So, I switched to the poultry business since I have land that can be utilised. I searched for companies that would partner with people who wanted to start a poultry business. Based on my Google search, I discovered that Japfa is one of the top five companies in Indonesia and I was introduced to Japfa. Previously, I had no experience in the poultry business, but I gained a lot of knowledge and inspiration while partnering and working with Japfa.

Since partnering with Japfa from 2021, I have seen an increase from cycle 1 to cycle 3 and have reached full capacity of 45,000 chickens. Through the partnership, I have received assistance to overcome many obstacles. I can easily consult with the field officers and they freely provided information, especially since I do not have much experience in poultry. With this partnership scheme, I am happy because I can share the risk, especially for marketing activities, so that losses can be avoided.

With guidance from Japfa, I learnt a lot about the poultry industry. There are always reviews after every harvest and briefings to improve my performance. I was invited to other contract farms to gain knowledge on best practices which I can apply in my farm. These best practices include how to feed, handle chickens and harvest. Japfa also provided guidance on how to manage waste. They gave advice to reuse empty feed bags to wrap the rice husk waste for easy transportation and gave directions on where to sell it so that it can benefit other parties.

H. Edwin, a contract farmer in Indonesia

Communities

[GRI 203-1, 203-2]

We contribute to the local communities by supporting them through education, economic development, disaster relief, social outreach, sports and environmental protection initiatives.

Impacting Youth through Education

The future rests on the shoulders of our youth. As such, education is integral to their development as it will empower them to contribute positively to their local communities and country. This is especially the case for those who will enter the fishing and farming industries, as they will be the ones who continue to pave the way for a strong agricultural community in Emerging Asia. Japfa supports them through several initiatives, such as:



Teaching Farms

In collaboration with Universitas Gadjah Mada, Universitas Syiah Kuala and Universitas Brawijaya in Indonesia, we support teaching and learning about poultry farming in various animal husbandry departments. The utilisation of teaching farms helps students apply the concepts they learn in class to real life scenarios.

Our Teaching Farms consist of:

- 5** Closed-House Farms
- 7** Open-House Farms
- 1** Slaughterhouse



On-The-Job Learning Experiences

In Indonesia, 128 students gained the opportunity to experience working in our aquaculture division through our Synergized Aquaculture Innovative Learning (SAIL) programme. The programme is a collaboration between Japfa and the Ministry of Education, Culture, Research and Technology as part of the Kampus Merdeka programme.

Through SAIL, we offer internship positions in shrimp and fish cultivation and other areas such as in manufacturing and human resources. Moreover, Japfa mentors will be there to provide guidance for the students at every step of the way.



I was interested to join the SAIL programme because we are equipped with knowledge and have the opportunity to do hands-on practice here, unlike in other internship places where we only see without actually practising. Evaluation is also done every week so I get feedback on the work done. I think this is very useful for my future. At the Aquaculture Research Center, we also build a strong family, so even though we come from different universities we can unite and actually talk to each other.

Fina Safitri (21),
SAIL participant at the Aquaculture Research Center in Banyuwangi



The SAIL program turned out to be in line with my expectations, as I get to roll up my sleeves and be involved in real work. Therefore, we get hands-on experience. Morning meetings and mentoring were also very interesting and useful for me. The morning meeting, which is held in English, helped me familiarise myself with the language. Meanwhile, through the mentoring programme held once a week I could participate in knowledge transfer from mentors at STP, which is different from learning at university. My insight into the breadth of the aquaculture field has increased and I feel that participating in this programme is a really good opportunity to understand the real working environment.

Muhammad Eka Purnama Huda (21),
SAIL participant at the Aquaculture Research Center in Banyuwangi

In Vietnam, we conducted a similar programme that provides internship opportunities to university students. We selected students based on their majors and assigned them roles related to their studies at the farm or the office. This internship also offers career opportunities to work at Japfa Vietnam, where after the conclusion of the internship programme, several students were also admitted as employees.

“ The internship programme at Japfa Vietnam is part of a broader collaboration with Tra Vinh University’s Agriculture and Fisheries Faculty, which includes human resources training, exchange of technical skills and knowledge and implementation of scientific research programmes. In this partnership, Japfa Vietnam offered scholarships worth 30 million Dong for students with outstanding achievements. ”

STP Mengajar (Knowledge-sharing with STP)

The STP Mengajar programme aims to facilitate knowledge-sharing regarding aquaculture practices and soft skills to university students. This year, the leaders from our aquaculture division IPB University to share their practical knowledge and professional experience with the students. We hope that through our sharing, the students can be better prepared to enter into the real-life working environment.

Listening to the Participants of STP Mengajar

The programme was informative and interesting. I gained a lot of knowledge. This training is insightful and it turned out that aquaculture is interesting and promising.

Olyvina Eka Marini Nufus,
Aquaculture Production Technology and Management Study Program, SV IPB Batch 56

The programme was insightful. The information and material provided was eye-opening. It broadened the horizons for fellow students and is a good support programme for students in Indonesia, especially the Vocational School of IPB University.

Anhadi Haposan Manurung,
Department of Agribusiness Management, SV IPB Batch 58

Strengthening Community Infrastructure

Good infrastructure helps support the well-being of communities and facilitates their daily activities. In 2022, we supported local communities in Myanmar by fixing damaged roads where our employees and the locals worked hand-in-hand to improve this public infrastructure. We also built a rubbish collection tank in a village, supporting villagers in practising proper waste management.

Protecting Nature Together

Protecting nature is everybody’s responsibility, and each of us has a role to play. Together with employees and our communities, we work to protect the environment through several initiatives:

ACT FOR SUSTAINABLE AQUACULTURE Campaign



Understanding that everyone has a responsibility to protect the environment, our STP subsidiary in Indonesia launched a campaign called ACT FOR SUSTAINABLE AQUACULTURE in 2022. This campaign runs a number of water conservation activities, among them are:

- Planting 200 *cemara air* trees in Banyuwangi
- Planting 2,071 mangrove trees in Indramayu, Singaraja, Karangtekok ponds, and several other locations
- Beach cleanup at Warudoyong with Banyuwangi Regent
- Cimalayang Watershed cleanup in Purwakarta
- Establishing additional biofloc ponds in Banyuwangi, Lampung and Purwakarta. In addition, we collaborated with army retirees in developing biofloc ponds in Bulak Rantai
- Collaborating with UGM to release 20,000 eels in the Doyong River Watershed, Yogyakarta
- Engaging employees to participate in a biopore programme as water conservation initiative. Since its launch in December 2022, 117 employees participated with a total of 428 biopore pipes planted.

Waste Bank and Eco-edu Tourism Development



Japfa developed two groups of waste banks in Sragen: the SiRepi Waste Bank and the Kecik Waste Bank. The waste bank is a community-based waste management programme that provides additional income for members of the waste bank.

Through waste bank activities, household inorganic waste is not immediately disposed of to landfills because they can be sold to the waste bank for further processing by the waste processing industry. In addition to processing inorganic waste, the SiRepi and Kecik Waste Banks succeeded in processing organic waste into solid and liquid organic fertilisers.

Japfa and Universitas Sebelas Maret are helping Kecik Waste Bank to develop Sragen Harmoni Hijau City Forest into an eco-edu tourism centre through the Kedaireka Matching Fund scheme from the Ministry of Education, Culture, Research and Technology of the Republic of Indonesia. Together, we are collaborating to make the urban forest a tourist destination that adheres to the Conservation by Consumption principle, which means that conservation efforts will benefit the local waste bank and the surrounding community.

Through this collaboration, the waste bank, Japfa, Universitas Sebelas Maret, and the local government in Sragen combined a community-based waste management model with sustainable tourism in Sragen.

SiRepi		156 Customers
Total Waste In:	7,488 kg	
Total Sales:	Rp21,583,075	
Profit:	Rp5,533,523	
Customer Savings:	Rp15,048,200	

Kecik		150 Customers
Total Waste In:	6,889 kg	
Total Sales:	Rp14,506,425	
Profit:	Rp7,052,292	
Customer Savings:	Rp8,973,463	

Kedaireka Matching Fund is a grant from the Indonesian Ministry of Education, Culture, Research and Technology. Its purpose is to strengthen collaboration between academic institutions and industries so that Indonesia can keep developing. By working with the best educational institutions in Indonesia, we can enhance and further develop our existing programmes, thus amplifying the positive impact we bring to people and the planet. Through Kedaireka Matching Fund, the government bridges meaningful collaborations in the Green Economy, Blue Economy, Health Infrastructure, Tourism and Digital Economy sectors. As detailed in the chapters of this report, we have partnered with:

Universitas Indonesia (UI)
Health Infrastructure

Developed a student nutrition journal for schools assisted by JAPFA for Kids (page 79)

Universitas Gadjah Mada (UGM)
Green Economy

A pilot project to turn poultry waste as a medium for maggot cultivation (page 113)

Universitas Sebelas Maret (UNS)
Tourism

Developing eco-edu tourism in Sragen Harmoni Hijau City Forest (page 141)



Community Economic Development

As we continue to grow, we also want to help improve the lives of those in the communities around us. We offer programs that allow community members to work with us and build a more secure future, particularly for economically more vulnerable groups, such as pensioners and small businesses.

Implementing Sustainable Aquaculture through Biofloc



It is important to support innovations in livestock production that are sustainable and easy to implement. Biofloc, an aquaculture system which uses microbiological control technology to break down waste material, is one of those innovations.

Through our ACT FOR SUSTAINABLE AQUACULTURE campaign in Indonesia, one of the initiatives is to help farmers build biofloc systems for their farms. This is especially helpful for farmers who have difficulty or limited access to capital to implement farming technology.

We added more biofloc ponds in Banyuwangi and Lampung this year, and our helpful employees provided training and assistance to communities we reached through boot camps. We lent a hand to Persatuan Purnawirawan TNI Angkatan Darat (PPAD), a community of retired military members in Purwakarta, by helping them develop urban fish farming with the biofloc method. This does not only become a medium for them to receive additional income, but also support their food security by enabling them to cultivate their own protein source.

“ By the end of 2022, we constructed 12 aquaculture biofloc ponds for local communities and fish farmer organisations in our operations where we operate. We also supported 30 aquafeed customers to convert from using traditional ponds to using biofloc ponds, which is more environmentally friendly by providing technical assistance such as sharing our expertise in pond construction, management and feed usage. ”

Food Safety Training for Micro, Small, and Medium Enterprises (MSMEs) in Toba, Indonesia

Although they are small, MSMEs play a critical role in the Indonesian economy. They provide employment and contribute to more than 60% of gross domestic income. However, food-based MSMEs face some challenges including maintaining hygiene standards, cleanliness and product development. However, they can benefit from targeted assistance, helping them optimise their potential for growth and implement better practices in their business.

This project took the form of a Bedah Warung programme that we created with the intention of assisting MSMEs in the Lake Toba region. With this initiative, we train small businesses on food safety and production of fish skin crackers. Moreover, we also improve facilities in the shops we support, for example by replacing old tables and signages.



Stepping Forward to Advance Indonesian Chess

Japfa believes there are numerous advantages to playing chess, and there is an opportunity for Indonesia to make a name on the global stage. We are an ardent supporter to the chess sports for more than two decades and supports to nurture young talents.

Japfa Chess Club

The Japfa Chess Club serves as a platform for employees to enhance their cognitive abilities, promote employee unity and foster healthy competition. We provide regular chess training to our employees in Makassar and Lampung, Indonesia.

The Japfa Chess Club is not only a recreation club for our employees but also serves as a training center for young individuals in Indonesia who wish to cultivate their skills and knowledge through our mentorship programs in schools. Prior to the pandemic, we have been providing coaching for students in JAPFA for Kids partner schools. Numerous students have earned accolades at the regional level, and some even became chess athletes. This is Japfa's dedication to the development of chess in Indonesia to elevate the country's global ranking in this sport.



Chess Tournaments

In 2022, we held various tournaments for chess athletes to hone their skills and earn achievements. For example, Japfa conducted the JAPFA Ramadhan Cup, JAPFA FIDE Rated Tournament, JAPFA Chess Festival and JAPFA Christmas Cup.



Did You Know?

A FIDE Rated Tournament is a tournament that follows the regulations of FIDE, the international governing body for chess. Through the Japfa FIDE Rated Tournament, National Master Surya Wahyudi, a member of Japfa Chess Club, was crowned as the champion and earned the title of FIDE Master, one of the highest in the FIDE ranking system. Japfa's support for chess, which is manifested by organising tournaments like this, also received appreciation from the Minister of Youth and Sports of the Republic of Indonesia.

Profile of Japfa's Young Chess Players



Taufik Devasya

- 2022 - Ranked 12 in Japfa Chess Festival's Age 14 Category (Male)
- 2022 - 3rd Place in Gorontalo Governor's National Open Championship
- 2022 - Grand Champion in Gorontalo Chess Tournament's Junior Category
- 2021 - 1st Place in Gorontalo City's Mayor Cup's Junior Category
- 2021 - Ranked 31 in the National Chess Championship's Age 13 Category (Male)
- 2021 - 2nd Place in Gorontalo's First Team Chess League
- 2021 - Ranked 11 in Sekolah Catur Utut Adiando's School Chess Championship



Vellin Trienjel

- 2022 - Ranked 14 in Japfa Chess Festival's Age 14 Category (Female)
- 2022 - 1st Place in the Lampung Selatan Junior Chess Tournament (Female)
- 2021 - Ranked 14 in the National Chess Tournament for Age 13 Category (Female)
- 2021 - Ranked 50 in Sekolah Catur Utut Adiando's School Chess Championship
- 2021 - 1st Place in the Junior High School Student's Chess Championship in Lampung

Other Social Outreach

Japfa Peduli (Japfa Cares)

In Indonesia, there are complex issues faced by those in need. The Japfa Peduli programme is our way to offer help and to show our care. We also work with other organisations to strengthen this programme.

Support for the Floating Hospital with doctorSHARE

Access to healthcare is a fundamental human right. However, many of Indonesia's islands lack access to medical services. To help address this issue, we worked with doctorSHARE by providing animal protein for medical personnel and installing a solar panel for a floating hospital.

Disaster Relief for Residents Affected by Flood and Earthquake in Serang and Cianjur

Serang Regency experienced flooding in the early months of 2022 as a result of protracted, severe rainfall. In order to lessen their burden during these trying times, we sent 600 packages, each consisting of 5 kg of rice, 2 kg of eggs, and one box of mineral water to households.

Our aid also extends to Cianjur that was hit by an earthquake last November with a magnitude of 5.6 which claimed many lives and material losses. To help the victims, we collect data and distribute assistance to affected residents according to their needs, including our employees and livestock partners. We distributed groceries, ready-to-eat food, animal protein, sanitary equipment and medicines. Japfa also built emergency tents and public kitchens to provide proper shelter for refugees at several locations.



Sharing Love with Zero Dong Store

We presented gifts to workers who were in difficult circumstances through the Zero Dong store, held as part of a fair established by the Trade Union of Industrial Parks in Vinh Phuc Province, Vietnam.

COVID-19 Relief

The effect of the COVID-19 pandemic still lingers in the communities where we operate and Japfa provides various aids for the community to recover together. In Myanmar, we provide surrounding villages with masks and oxygen tanks during the quarantine period. In India, we provide oxygen concentrators for hospitals, medical kits, meal kits, personal protective equipment and groceries to COVID-19 centres and surrounding villages.

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c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	TCFD-Metrics-c	26-27

Japfa Ltd

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